

The NATIONAL UNDERWRITER

Life Insurance Edition



B-40

MINNESOTA MUTUAL

Ranks with the biggest and best
on the SIX fundamental measures



For instance—take Diversification of Investments

Per Cent of Total Assets Invested in	Cash	Bonds	Mortgage Loans	Policy Loans	Real Estate	Stocks	Miscellaneous
Average of 25 Largest Companies	3.45%	41.00%	21.73%	16.79%	9.87%	4.07%	3.80%
MINNESOTA MUTUAL	4.93	48.43	9.59	18.46	9.01	4.92	4.48

WE OFFER:

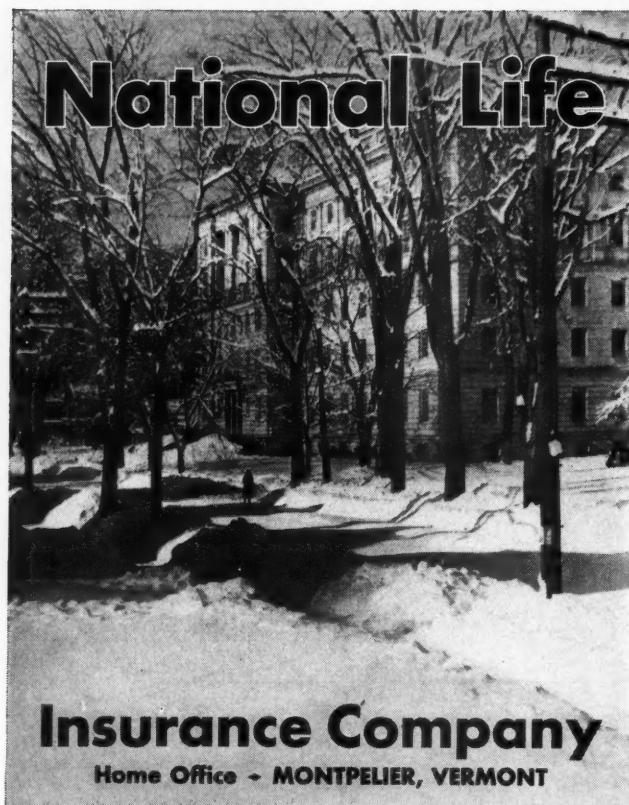
1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plan.
8. Unusually effective selling equipment.
9. Policies for every purpose: Regular—Juvenile — Women — Group — Payroll Savings, etc.
10. Low Monthly Premiums.

A \$200,000,000.00 Mutual Company, 57 years old with an understanding cooperative Home Office.

This is the first of six statements of FACT about the Minnesota Mutual. If you want them all at once write us for our booklet "FACTS."

**THE MINNESOTA MUTUAL
LIFE INSURANCE COMPANY**
SAINT PAUL, MINNESOTA

FRIDAY, FEBRUARY 26, 1937



THE NATIONAL LIFE of VERMONT a purely mutual Company, is one of the oldest life insurance companies in the United States. Out of a total of over 300 life insurance companies there are only 8 companies of equal or greater age. Founded in 1850 in the capital city of Vermont, its scope of service has become truly national. It now operates through agencies in 36 states and the District of Columbia, and has policyholders in every state in the Union.

A Year of Sound Growth

THE POLICYHOLDERS of National Life of Vermont will be gratified to learn of the Company's continued growth during the year which ended December 31, 1936. The new paid-for life insurance in 1936 was \$45,637,000, which is 19.87 per cent better than the 1935 record. The month of December, which showed the largest business since 1930, was the twenty-sixth consecutive month in which new business exceeded the corresponding month of the previous year. By this increase, the insurance in force was brought up to \$519,781,000, a gain of \$9,756,490.

The net interest on invested assets was 3.83 per cent as against 3.53 per cent in 1935. This rate was earned without impairment of security in a year when safe investment at fair yields was difficult. This encouraging gain enables National Life to maintain through 1937 the generous dividend scale of last year and thus insures an attractively low net cost to its policyholders.

If all bonds were valued on a market basis as of December 31, 1936, the statement would show a surplus and contingency reserve of \$14,222,303.57.

ELBERT S. BRIGHAM
President

FRED A. HOWLAND
Chairman of the Board

87th Annual Statement December 31, 1936

ASSETS

United States Government Bonds.....	\$ 23,392,282.39
Federal Land Bank Bonds.....	5,920,543.30
Federal Intermediate Credit Bank Debentures.....	3,348,350.75
Municipal, State, and County Bonds.....	16,010,460.08
Public Utility and Industrial Bonds.....	23,958,687.23
Municipal and Provincial Bonds, Canada.....	2,247,566.41
Foreign Government Bonds.....	627,325.00

Total Bonds (Amortized Basis)..... \$ 75,505,215.16

Preferred Stocks (Market Value).....	5,768,321.00
Mortgages, First Liens.....	49,306,967.60
Policy Liens.....	29,135,168.67
Other Secured Loans.....	26,400.00
Real Estate, including Home Office.....	19,419,272.83
Cash in Banks.....	3,026,041.13
Interest and Rents, Due and Accrued.....	2,699,448.30
Deferred and Uncollected Premiums (net).....	2,887,695.73

Total Admitted Assets..... \$187,774,530.42

LIABILITIES

Policy Reserves.....	\$167,033,261.30
Policy Claims, Proofs not Complete.....	295,925.01
Policy Claims, Estimated, but not Reported.....	230,000.00
Contingent and Other Liabilities.....	435,548.84
Taxes Accrued but not Due.....	931,795.51
Premium Deposit Fund.....	1,777,802.21
Dividends on Deposit.....	2,294,567.88
Dividends Assigned for 1937 Distribution.....	3,609,380.35
Surplus, including \$2,000,000 Contingency Reserve..	11,166,249.32

Total..... \$187,774,530.42

NATIONAL LIFE INSURANCE COMPANY

**HOME OFFICE VERMONT
MONTPELIER**

PURELY MUTUAL

ESTABLISHED 1850

No Changes Seen in Aviation Rules

Recent Crashes, Even If Much
Worse, Would Not Alter
Underwriting

PHELPS TODD IS SPEAKER

Companies Customarily Wait for Trends
to Be Established Before Taking
Action, He Says

NEW YORK, Feb. 25.—Because home office selection departments rarely lead the procession but usually wait for trends to be established, it is doubtful if any life company would change its aviation underwriting even if recent air line accidents had been two or three times as severe as they were, Vice-President F. Phelps Todd of the Provident Mutual Life told the Midtown Managers Association. He said he was convinced that in spite of these accidents there would be no marked change in requirements or rates.

As an example of life companies' custom of waiting for trends to be established before falling in line, Mr. Todd reminded his hearers that blood pressure readings, now required as a matter of routine, were not adopted by life insurance companies until the taking of blood pressure had become a regular practice in clinical medicine. The electrocardiogram, he said, is a constructive step in spite of what many may think. In answer to a question, he said that the electrocardiogram deadline of \$300,000 was selected as the amount in force and applied for on any one life because it appeared that above \$400,000 there was a very marked increase in mortality because of adverse selection. This \$400,000 figure seemed too high, so \$300,000 was set as the amount.

Liquor Industry a Problem

Home office underwriters are facing a difficult problem in the liquor industry, he said. The bulk of experience is based on pre-prohibition days and is probably at least 50 percent incorrect as a guide in underwriting. As a guide to present-day underwriting of persons engaged in the liquor business, underwriters do not know if this pre-prohibition experience is too severe or too lenient, he said.

Mr. Todd deplored the lack of uniformity among home office selection departments of various companies. He told of a \$100,000 case being accepted by two companies even when there was definite indication that the applicant should have been turned down. Requirements should be the same among all companies, he said, and added that the Home Office Life Underwriters Association is a force in the direction of greater uniformity along underwriting lines.

Mr. Todd strongly urged agents to furnish the most complete possible information to home offices in connection with their cases, saying that by anti-

American Life Convention "First Citizen" Adjourns

By C. M. CARTWRIGHT

President Isaac Miller Hamilton of the Federal Life of Chicago is the sole survivor of that interesting and eminent group of life insurance executives who founded the American Life Convention on Dec. 5, 1905, in the Great Northern Hotel in Chicago. The death of President J. B. Reynolds of the Kansas City Life early Tuesday morning of this week removed the most influential factor in the organization, one of the most earnest men present at the first meeting who was first president of the A. L. C. and the only man who had been elected twice. A few years ago it was decided that Mr. Reynolds should serve again inasmuch as he was the president in the infancy of the association when it was a struggling band. He was chosen for the second time in 1924.

Was An Influential Man in American Convention

It would be untrue to say that Mr. Reynolds was a domineering factor in the A. L. C. He was not an autocrat nor did he endeavor to impose his views on the organization in a dictatorial way. But whenever Mr. Reynolds spoke he was listened to and his advice in almost all controversies or issues that arose was heeded. He occupied a peculiar position in central western life insurance circles, particularly in that group that belongs to the American Life Convention. Mr. Reynolds possessed sound business judgment. People had confidence in the conclusions he reached. He was not argumentative. He had his facts well assembled and he pondered over problems in his own mind so that when the time came for a decision he was sure of himself. He was not given to circumlocution or indulging in conversational marathons. Inasmuch as Mr. Reynolds was one of the early figures in the A. L. C., and due to the fact that he had built his company from a struggling concern into a very solid, growing and progressive institution and furthermore, due to the fact that he had nothing to apologize for so far as his company was concerned, his counsel carried much weight.

Kansas City Life Is a Reynolds Monument

The Kansas City Life has forged ahead, has built strongly and has never been near the danger line. Mr. Reynolds grew in stature from the time he connected with the Kansas City Life. He surrounded himself with capable officials, he followed sound business principles and he did not indulge in fanciful schemes. He kept very close to the

pathing the selection department's requirements the agent will earn a degree of gratitude that will more than outweigh the advantage he might get in rare instances from not furnishing such information.

In answer to a question about the possibility of writing big risks at higher rates, Mr. Todd said he thought this is unlikely, particularly in view of the laws against discrimination.

road of experience. The agents had confidence in him because as the years went by they found that as a rule his reasoning was logical and clear. A number of prominent general agents and soliciting agents joined the Kansas City Life organization because of their confidence in him.

Mr. Reynolds was always brought into the picture when any important issue or question came before the American Life Convention. People immediately asked "What does Joe Reynolds say?" Mr. Reynolds was always fair and square. He was sympathetic, broad-minded and never mean. He did not look at a situation from his own selfish standpoint. He was not given to malignant criticism of others. He was exceedingly tolerant and when he gave his word it was as good as gold. Mr. Reynolds never went back on a promise he made. He was outspoken, emphatic when he reached a conclusion. He contended for what he felt was right. He never hesitated to listen to a person who desired to get his slant and at the conclusion he vouchsafed a few words of what he considered was the natural course to follow.

Possessed Rich Vein of Personal Sentiment

Mr. Reynolds had a rich vein of true sentiment in his nature. He was exceedingly fond of his friends. He loved dearly to converse with them, exchange views. Mr. Reynolds might be said to have a profound affection for those in whom he was deeply interested. The waters ran deep in his spiritual life. Never an ecclesiastic, it can be truthfully said that he possessed a religious background. He dwelt on the funda-

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Agent Sounds Like Auto Salesman to the Farmer

J. C. Behan, vice-president Massachusetts Mutual, guest speaker at the luncheon meeting of the Life Underwriters Association in Worcester, Mass., said a bright insurance future exists for agents who don't join the sit-down strikers club.

Mr. Behan emphasized the importance of producers having a thorough knowledge of the business and the ability to tell the story so that it can be understood by prospects. In his characteristic way of using a story to drive home a point, he told of an agent who didn't sell a Swedish farmer in Minnesota.

"The farmer was plowing his field with a tractor," said Mr. Behan, "when he was interrupted by a life insurance agent. For half an hour the agent talked about reserves, A. D. B., A. P. L., and optional settlements, and the farmer appeared to be drinking it all in. But the agent stopped for breath and the farmer cranked up his tractor and said, 'Wal, ay tank ay run my Ford annudder year.'"

Should Meet the Changing Times

Assistant Illinois Commissioner
Roy Davis Says Public
Is Critical

DEMAND ON COMPANIES

Agents Should Improve Their Sales
Technique in Order to Furnish
a Satisfactory Program

Roy L. Davis of Chicago, assistant state insurance director, in an address before the Springfield Life Underwriters Association declared that had the legal reserve companies thoroughly performed their jobs, it is doubtful if the social security act would have been put on the statute books. He said:

"The federal government stepped in to do a job we could, but did not, do. If we in the life insurance business do not discharge our responsibilities in furnishing adequate protection to the public—at a reasonable rate—then the public will turn to state and national governments for relief. This is a very pronounced trend—and the responsibility for checking it depends upon us in the field."

Public Is More Critical

Mr. Davis, speaking to his subject, "Trends in Selling," declared that the insuring public is becoming better educated as to insurance and hence more critical. The life companies sense this situation and are putting their houses in better order. The agents in order to meet these changing conditions are improving their sales technique.

He referred to the crisis through which life insurance and agents passed during the depression period and mentioned the fact that some salesmen floundered while others went on. Mr. Davis said that he had been interested since going with the department to see that complaints against properly managed legal reserve companies and agents are few. The average man, he said, from the smallest wage earner to the largest, feels a definite lack of security. What people need today is a feeling that the money they are putting aside in life insurance will have to take care of them in their old age and benefit their dependents when they die.

Insuree Has Not Been "Bought"

Mr. Davis said that the 10-billion of life insurance in force has been "sold" rather than being "bought." The average buyer, he said, has been educated to appreciate that life insurance is the one medium to which he may turn to find security. Therefore agents assume a definite responsibility in presenting life insurance. The average man, he said, although he may be aware of the value of life insurance will not buy it without special urge on part of an agent. Therefore the agents are tremendously

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A. L. C. Financial Men Review Trends

Securities Status Debated in Chicago

Authorities Explain Investment Objectives in Formal Addresses

MEMBERS IN DISCUSSION

Continued Low Interest Rates, Liquidation of Real Estate, Federal Loan Competition Noted

The program of formal papers at the midyear meeting of the Financial Section of the American Life Convention in Chicago this week was an ambitious one, with 11 authorities speaking on various branches of the investment field, and general discussion following. The continued low interest trend appears to be the dominant problem, but undoubtedly second in importance is what to do with properties taken over under foreclosure, now that values have risen somewhat and there is a chance to pull out even or a little ahead. The effect of government lending agencies on competition for real estate mortgages and upon the interest curve also was a major problem discussed.

Johnson Views Municipals

Procedure for analyzing municipal securities perhaps never will be put on a really scientific basis and cannot be reduced to a prescribed formula, J. W. Johnson, investment research division, Minnesota Mutual Life, declared in a talk on "Analysis of Municipal Securities." He said examination of the records of past defaults shows most of them could have been avoided and life companies should remember lessons of the past and make full use of available analytical tools in steering clear of future trouble.

Confidence of investors in municipal securities was so great in the past that there was a breaking down of vigilance. Numerous defaults in the period 1929-1936 brought a sharp change in attitude and the market became highly selective. With improvement in conditions, it appears most of the depression defaulters ultimately will be able to meet their obligations in full. Mr. Johnson said municipal investments should be selected with the same care, investigation and thought as any other type. Investors' vigilance is especially important during boom times.

Municipal credit analysis should be from the legal, financial and economic and social background. Management might be considered a fourth factor, but this is largely reflected in the other three.

Lack of uniformity in reporting tax collections requires examination of reports with care. In examining receipts and disbursements, increases or decreases in total indebtedness, both funded and floating, should be noted; these often show whether or not a community is living within its income. Ratio of debt service charges to total revenue is another important item. A vital principle of sound municipal financing is that bonds be amortized within the lifetime of improvements which they are issued to finance. Mr. Johnson said analysis of the municipality's background deserves more attention than it generally receives.

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Investment Survey Shows Trend in Company Policy

Illuminating data on the trend of life company investment policies was given in a tabulation prepared from a questionnaire sent to American Life Convention companies that was read by Secretary A. B. Cunningham at the mid-year meeting of the Financial Section in Chicago. This was on a 1935-1936 comparative basis, which did not show the sums of money involved, but merely the number of companies investing in certain types of securities.

There was a definite trend away from the shorter term government bonds and toward longer maturities, especially 15 years or more. While the number of companies replying to the questionnaire—60 to 65—was insufficient to provide a real spread that would give positive indication, the results were none the less interesting.

Other Tendencies Shown

There were fewer companies buying state bonds than in 1935, although there was no change in the number purchasing county bonds. Increase in purchases of municipal securities was indicated, as well as a definite increase in number of companies buying public utilities and railroads, especially the better rated securities. There was also a rise in number of companies buying industrials, especially classes AAA, AA and A.

There seemed to be considerable interest in steel, petroleum and foods, and a substantial increase in number of companies buying stocks, especially public utilities, the interest centering in the preferred issues. Only four of 24 companies reported purchase of railroad stocks, but this was an increase from the one which reported in the similar questionnaire last year.

There was an advance in number of companies buying mortgage loans, both as respects purchase of FHA loans and others.

The trend in mortgages was away from the unamortized form, there being a good increase in number of companies

reporting they were amortizing their loans and even greater increase in the companies loaning on monthly payment basis. The companies seem to be getting back into the farm loan field more extensively, 34 reporting that they were active in this branch compared with 30 in 1935.

The comparative figures for the various types of securities, with the total number of companies reporting for the two years in each of the categories and the number indicating purchase of various kinds of investments, are:

Investment Purchased	1935	1936
GOVERNMENT BONDS	65	60
Under 5 years	22	13
5 to 10 years	41	35
10 to 15 years	47	43
15 years or more	38	40
STATE	41	37
COUNTY	47	47
MUNICIPAL	63	61
AAA-AA	37	40
A	45	44
Baa-Ba-B	32	36
Not Rated	23	25
PUBLIC UTILITY	50	55
AAA-AA	39	45
A	40	44
Baa	24	40
Ba	12	13
B	7	6
RAILROAD	31	41
AAA-AA	22	31
A	24	30
Baa	17	22
Ba	5	7
B	4	1
INDUSTRIAL	38	34
AAA-AA	23	28
A	13	23
Baa	10	9
Ba	4	4
Building Materials	2	3
Chemicals	3	3
Drugs	5	3
Foods	9	10
Petroleum	10	12
Steel	17	22
Textiles	1	1
Tire & Rubber	6	7
STOCKS	18	24
Bank	4	5
Insurance	1	13
Public Utility	8	13
Preferred	14	14
Common	6	6
Railroad	1	4
Preferred	4	4
Industrial	15	16

(CONTINUED ON LAST PAGE)

Assurance Is Given of Stabilized Rates

Investment Officers Relieved by Report on U. S. Long Term Interest Program

YIELD BIGGEST PROBLEM

A. L. C. Financial Section Speakers Agree General Conditions Are Much Better

One of the most significant assurances to the welfare of life insurance that came out of the mid-year meeting of the Financial Section of the American Life Convention in Chicago this week was that the federal administration is thoroughly aware of the danger to long term investments, especially bonds, of any rise in long term interest rates at this time, and is fully prepared to stabilize the situation.

While it is true that most companies during the low interest era have leaned toward short term securities because they felt low interest was only a temporary condition and they did not want to tie up their funds for long periods at a low yield level, nevertheless they have been forced by the very principles of life insurance to purchase substantial quantities of long term bonds at lower interest rates than are considered normal.

Real Estate Situation Better

Urban and rural real estate recovery was another optimistic note. The speakers were uniform in their opinion that generally the investment situation has greatly strengthened. Mortgage defaults have substantially decreased and borrowers have been reeducated to make their interest and principal repayments due to the active participation of federal lending agencies and their demand for prompt payment. Another effect of operations of these agencies has been inculcation of the principle of loan amortization on a national basis.

The attendance of 115 at the one-day meeting was better than ever before. Chairman J. E. McPherson, treasurer Business Men's Assurance, opened the session with a statement that while the country is well along toward prosperity, there are many problems before financial officers. T. A. Phillips, president Minnesota Mutual Life and president American Life Convention, extended greetings and gave highlights of the investment picture.

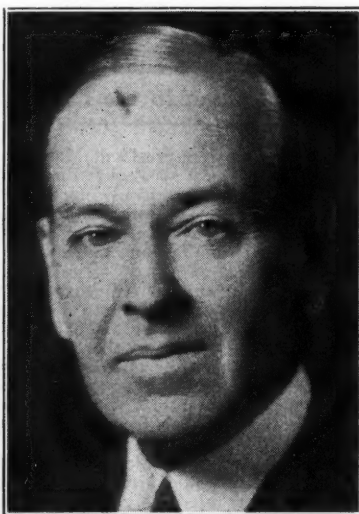
Phillips' Brief Review

There is a large proportion of bonds in portfolio compared to the stress on mortgages in the past, he said, and life companies' greatest problem today, perhaps, is how to improve yield. Mr. Phillips said probably no group of buyers has been so greatly beset with problems as have life companies; there is more pressure on them to buy for interest and yield in order to meet the interest assumption in contracts, but quality still is the prime essential. Wise investors such as life companies, he said, are conservative and do not sacrifice safety for the chance of a profit.

Col. C. B. Robbins, manager and general counsel of the convention, extended greetings. Other convention officials

(CONTINUED ON LAST PAGE)

Preside at Investment Rally



J. E. McPHERSON
Chairman



A. B. CUNNINGHAM
Secretary

J. E. McPherson, treasurer of the Business Men's Assurance, Kansas City, presided at the mid-year meeting of the Financial Section of the American Life Convention held in Chicago this week, assisted by A. B. Cunningham, vice-president and treasurer of the Montana Life, who is secretary of the section.

Fraternal Hold Section Meetings

National Congress Units Stage
Mid-winter Gathering in
Chicago

PONDER SOCIAL SECURITY

Recruiting, Suitable Legislative Methods
Are Among the Prime Topics
of Discussion

About 200 fraternal officials and camp followers met in the mid-winter two-day meeting of the National Fraternal Congress sections in Chicago. Chief theme of the general program was status of fraternal under the social security act, ways and means of recruiting a good field force, and helping legislation.

Groups meeting were the secretaries, press, field managers, state, medical, actuarial and the presidents' sections. The Fraternal Society Law Association held its annual meeting. There was argument over the formal attitude fraternal should express toward the social security act. It was decided to leave the matter to the congress executive committee, to report at the annual convention at Columbus, O., in August.

Combined Meetings

There were two talks for all the sections. One was at the combined luncheon, at which Dr. J. A. James, graduate school dean of Northwestern University and noted historian, spoke on "George Washington, American Citizen," and the other by Paul Speicher, editor R. & R. Service, on recruiting problems and need for making the business attractive to get good men.

An executive session the first afternoon took up the attitude toward social security and legislation. The executive committee held a pre-convention meeting on social security.

Presidents' Section Meets

The first part of the Presidents section meeting was given to discussion of the best way to secure beneficial legislation and to avoid harmful laws. Views on taxation were varied. Some members felt that fraternal should submit to limited taxation because it is inevitable, and it will be better to show a cooperative attitude than to fight it. Others contended that any kind of taxation would be an entering wedge for further levies.

Value of frank recognition of need for suitable contacts with legislators, efficiently and not hit or miss, was taken up. Societies should know bills coming up affecting their status, and members should make sure legislators representing them knows their views.

H. L. Ekern, president Lutheran Brotherhood and Chicago attorney, led discussion of social security as affecting fraternal. Outlining the recent internal revenue bureau decision that Protected Home Circle employees are subject to the tax, he said fraternal are not exempt under the old age and unemployment provisions. However, efforts are being made to have fraternal exempted and Senator Sheppard of Texas introduced a bill to exempt societies from paying the taxes.

The situation in Washington affecting fraternal is fairly bright and it is thought there will not be too much opposition to exempting fraternal, as they are exempted under income tax laws. However, at present societies' salaried employees are fully under social security. James Daly, editor United Commercial

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Hobbs Introduces New Bills to Curb Unlicensed Carriers

PROVIDES SEC RECOGNITION

Company Must Be Licensed in State or
Have Federal Recognition
to Use Mails

WASHINGTON, Feb. 25.—To restrict the use of mail by unlicensed companies, Congressman Hobbs of Alabama has introduced a bill providing that insurance companies desiring to use the mails must either comply with the insurance laws in the states in which they operate or secure a permit from the Securities & Exchange Commission, which controls the transactions of security issuing corporations.

To secure a federal permit the company's solvency, policy provisions and ability to fulfill its insurance contracts in force must satisfy the SEC.

Old Bill Revamped

In a companion measure Mr. Hobbs seeks to close the mails to all insurers who do not comply with the state insurance laws. The measure is similar to the one introduced last session but has been modified to exempt a number of organizations which opposed the measure last year. It does not apply to newspapers or periodicals, contracts of reinsurance, fraternal benefit societies, educational groups, marine insurance, commercial traveling men's associations or group insurance covering 25 or more persons.

Both bills carry penalties for violation of fine up to \$5,000, imprisonment for not more than two years, or both.

Mitchell Made General Agent

E. H. Mitchell, who has been with the Protective Life of Birmingham as

Chosen as Pennsylvania Insurance Days Chairman



JAY N. JAMISON

Jay N. Jamison, executive vice-president Reliance Life of Pittsburgh, is named as convention chairman for the celebration of Pennsylvania Insurance Days in his city, June 3-4.

a personal producer in the San Antonio agency, has been appointed San Antonio, Tex., general agent, with offices at 335 Milam building.

Brig. Gen. Newton E. Turgeon, Buffalo, N. Y., agent of the Union Central Life since 1914, died at the age of 68. In 1895 he joined with A. H. Knoll to form Knoll & Turgeon, which represented the Aetna Life's accident and liability department.

Four Promotions by Equitable of N. Y.

M. C. Laffey, C. J. Martin and
V. S. Welch Named Second
Vice-presidents

GREAVES IS TREASURER

Careers of New Officials Advanced
to Higher Posts by Company
Are Reviewed

NEW YORK, Feb. 25.—At the annual meeting of the directors of the Equitable Life of New York, promotions of four ranking officials at the home office of the company here to higher posts were announced.

Meredith C. Laffey, who has been treasurer; C. J. Martin, manager of city mortgages, and V. S. Welch, manager of the group department, were elected second vice-presidents. Henry Greaves, who has been assistant treasurer, was named treasurer to succeed Mr. Laffey.

Mr. Laffey entered the home office as an assistant treasurer in 1919 and became treasurer in 1923. Previously he was a securities expert at the Equitable Trust Company of New York City.

Mr. Martin entered the home office in 1893 in the bond and mortgage department. He became deputy comptroller in 1910, assistant treasurer in 1915, superintendent of the home purchase department in 1917, manager mortgage loan and real estate department in 1927, and manager of city mortgages in 1936.

Mr. Welch was engaged in 1929 to help direct the campaign for \$100,000,000 of group insurance in 100 days. When that was successfully over, he joined the W. S. Parks agency in Rochester as group supervisor. He returned to the home office shortly afterward as regional group supervisor and in 1933 was made manager of the group department.

Mr. Greaves joined the Equitable in 1894. Experienced in handling security purchases, he joined the treasurer's department in 1907 when it was expanded. He became assistant treasurer in 1914 and secretary of the finance committee in 1916.

Missouri Probe Modified

Life insurance people and fraternalists are interested in the legislative controversy in Missouri in connection with the proposed investigation of the fire insurance rate cases insofar as the fortunes of Superintendent O'Malley are affected. Representative Smith of St. Joseph demanded a sweeping investigation by a special committee. Some observers say this was an attempt to embarrass Gov. Stark and force him not to reappoint Mr. O'Malley.

In a spirited debate, the resolution was amended to provide for an investigation by the house insurance committee. Mr. O'Malley issued a statement defending his part in the rate cases and welcoming an investigation. It is doubtful whether the insurance committee will do much about the matter.

Anderson Syracuse Speaker

A description of flood conditions in Cincinnati and elsewhere in the middle west was given at the February meeting of the Syracuse Life Underwriters Association by C. Vivian Anderson of Cincinnati. He had been scheduled to address the January meeting but was unable to get to Syracuse because of the flood. He spoke on "Simple Interest Options."

"Blunder Book"

One of the country's greatest advertising agencies keeps in its production department what it calls a "blunder book." The purpose is, of course, to reduce the wastage caused by mistakes which sharper attention would have avoided. Those whose names are possible entrants, far from resenting this inexorable witness, regard it as their friend, for it helps to keep their individual proficiency at its maximum. And that means, of course, better pay, promotions when opportunities come, and the prestige within the organization which every ambitious man values.

The underwriter may think that what with application blanks, amendments, certificates, and all the other bits of paper he must use he has enough to do without keeping a "blunder book." Yet he might find the occasional reviewing of these defeats, in such a frank record, would save him from similar ones, in current and future interviews.

They may not call it "blunder book," but there are keen underwriters who keep business diaries for just this self-service.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Comprehensive Report on Illinois Life Fund Made

LIENS ON POLICIES REDUCED

Central Life of Iowa Tells About the Condition of the Account as of Dec. 31

The Central Life of Iowa, which took over the Illinois Life under a management contract, makes a special report on its custodianship of the Illinois Life fund. The earnings of the fund for 1936 were \$734,314. After passing 20 percent to the contingency reserve, in accordance with the terms of the reinsurance contract, the remainder was added to the surplus, which gave a total of \$1,204,848. Allocation of surplus as provided by the contract effected a further reduction of the lien effective Jan. 1, 1937, equivalent to \$11.60 for each \$100 of initial net equity, or a reduction in the lien percentage from 65 to 53.4 percent.

Contingency Reserve Increased

The contingency reserve was increased from \$146,863 to \$371,620. During the year \$1,177,734 was paid to beneficiaries. Prior to the receivership the Illinois Life borrowed from the RFC \$1,119,400. From time to time the loan was reduced but last year the obligation was fully discharged and \$531,867 of assets were conveyed to the fund. The RFC, however, is asserting a claim for the statutory stockholders' liability on 2,500 shares of Central Republic Bank of Chicago stock owned by the Illinois Life in the amount of \$250,000. In order to

(CONTINUED ON PAGE 11)

Joseph Futz Week Is Announced for March 8

EIGHTY-FOUR, PA., Feb. 25.—The energetic insurance leader of this locality, Joseph Futz, made a very important announcement to the public today when he proclaimed the week of March 8 as "Joseph Futz Week." Mr. Futz has been deeply impressed with the anniversaries of insurance companies and executives. In celebrating these brilliant occasions they appeal to agents for new business and make much of the occasion. Mr. Futz on March 8 enters on his second year in insurance, having during the year made a sensational success. He is appealing to the public to increase their insurance and patronize him. He is seeking new clients and calls attention to his magnanimous and effective work in the community as a civic and church leader. He feels that every householder should be on the Futz insurance books. He has selected as his slogan for Futz week, "Joseph Futz—Ever Upward—Ever Onward."

Hamilton Plans World Trip

President Isaac Miller Hamilton of the Federal Life of Chicago left for the east this week on important business in Philadelphia and New York City. He hopes also to complete arrangements for his passports and other instruments so that he can sail from San Francisco March 5 on a trip around the world. He finds some complications have arisen but he hopes to get these straightened out. He will go to Honolulu, take the China Clipper, visit Japan and China, go on to India, Moscow and other European countries finally arriving in London in time for the coronation. It will be a 71-day trip.

Wealthy Europeans Seeking Insurance in This Country

U. S. "RESIDENTS" ARE ALIENS

Lack of Inspection Facilities Abroad Causes Most Companies to Shun Applicants Visiting Here

NEW YORK, Feb. 25.—Possibly as a result of war scares in Europe, quite a few wealthy Europeans on visits to the United States have been attempting to get life insurance here in American companies. These companies would have no objection to insuring the lives of these applicants if they were sure that they would remain in the United States but most of them shy off writing any sort of coverage on Europeans living abroad. In such cases, the home office underwriter must be on the lookout to be sure the applicant is really a bona fide resident of the United States or Canada and not just over here on a trip.

One difficulty about insuring even the best class of Europeans, as far as the American life company is concerned, is the lack of inspection facilities abroad in the sense that such services are available in this country. Unless the company has a definite tie-up abroad, it is difficult for it to get any accurate information of the type that would be included in an American inspection report.

One item which makes accurate information about habits particularly essential in the case of European is the aviation question. Europeans, particularly the wealthier ones, do a good deal of flying, and unless an insurance company

is in a position to know just about how much flying is done and under what circumstances, it may find itself with a very large extra hazard.

In insuring these applicants, the European companies not only have the advantage of being on the ground but also have the protection of laws which are considerably more to their advantage than those in the United States. In France, for example, a life insurance policy can be contested before or after the assured's death, no matter how long it has been in force, if the company can prove fraud in the original application. The company is not obligated to pay even the amount of premium paid or the cash value of the policy.

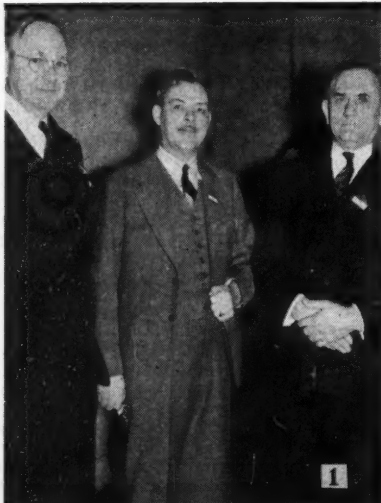
While there has been some talk of wealthy Americans buying life insurance abroad in order to hedge against the effect of inflation or less drastic changes in the rate of exchange, it does not seem that any great amount of this has been going on, according to those in touch with the European life insurance situation.

Gillis Agency in Annual Meeting

The A. F. Gillis agency in Newark of the Provident Mutual Life, held its annual meeting. E. A. Farrington of the home office agency department spoke on "Sound Prospecting Essential to Success," and Vice-president F. Phelps Todd, talked on "The underwriting department's responsibility to the company and the agents." L. G. McDouall, vice president and trust officer of the Fidelity Union Trust Co., spoke on "The banker's view point of life insurance and the present business outlook."

Make money selling accident insurance. Send 10 cents for copy of Accident & Health Review, 175 W. Jackson Blvd., Chicago.

GLIMPSES OF THOSE AT THE FINANCIAL PARLEY



Groups of those attending meeting of Financial Section of American Life Convention in Chicago Monday.

(1) B. P. Sears, Hercules Life; J. D. Frank, associate general counsel of the Lincoln National Life and Dexter Hamilton, of the Southwestern Life.

(2) C. P. Kendall, treasurer Washington National, of Evanston, Ill., A. R. Wright, Country Life of Chicago, Kenneth Mullins, Washington National.

(3) E. C. Wightman, vice-president Lincoln National Life, Albert I. Beach, general attorney Business Men's Assurance, F. M. Sanders, secretary Bankers Life of Nebraska.

(4) D. F. Roberts, treasurer Aetna Mutual Life, R. B. Richardson, vice-president Montana Life, A. O. Merriam, vice-president Franklin Life.

(5) E. B. Raub, Jr., LaFayette Life, E. Lee Trinkle, president Sherradoah Life, James H. Daggett, executive vice-president Old Line Life of Milwaukee.

(6) G. H. Newbauer, new Indiana insurance commissioner, H. E. McClain, retiring commissioner of that state, F. W. Meyer, Indiana department.

(7) J. D. Morse, president Home State Life of Oklahoma City, T. A. Phillips, president Minnesota Mutual Life, Miles Schaeffer, secretary United Benefit Life and Mutual Benefit Health & Accident of Omaha.

PIONEER AGENCY PLAN BRINGS RESULTS

President Arthur M. Collens, in his annual message to policyholders, said:

"In our judgment, the very favorable mortality experience which this Company has enjoyed for many years, the unusually high rate of persistency of our policies, and the remarkable freedom from disputed or contested claims are due, in considerable part, to the character and training of our sales organization.

"In 1914, the Phoenix Mutual was a pioneer in inaugurating a plan of agency development which was then considered a very radical change. This plan was based on the sound premise that life insurance was of fundamental importance in the financial progress of men and women, that it was not under existing conditions fulfilling its great protective usefulness to policyholders, and that to live up to the character of the business the field representatives must be men of high standards, properly trained in the fundamentals of good counselorship.

"The wisdom of the officers responsible for this foresighted plan and the practicability of their ideals have now been thoroughly demonstrated."

From the Phoenix Mutual's 85th Annual Report



ORGANIZED 1851

PHOENIX MUTUAL LIFE INSURANCE COMPANY, of Hartford, Conn.

GAINS IN 1936

Increase in Sales: New life insurance sales amounted to \$53,760,000, a noteworthy gain of 16 per cent.

Gain in Insurance in Force: This item one of the best measurements of progress, increased \$20,635,000. The total now in force is \$610,499,000.

Favorable Lapse Rate: The amount lapsed and surrendered was \$8,000,000 less than in 1935 and was only 4.7% of the total in force at the beginning of the year.

Increase in Assets: The total of nearly \$210,000,000 represents a gain of \$14,489,000 during the year. Ten years ago, at the end of 1926, assets were \$101,327,000.

Gain in Surplus: \$1,079,000 was added to surplus, bringing the total to \$7,731,000 after conservative valuation of all assets and ample provision for all liabilities.

The Company's latest Financial Statement will be sent to you on request.



Out of it all . . . how long could your family keep drawing \$100 every month?

ONE HUNDRED DOLLARS isn't very much for food and shelter and clothing and all the other things a family must buy every month. In fact, it's just about the very least a mother and a couple of youngsters can get along on.

Yet even \$100, drawn out every month, would not last both principal and interest of a \$10,000 estate in less than ten years. . . long before a widow could bring up and educate her children.

Your family would probably have to leave a larger income—\$150, \$200 a month. Could your insurance and savings keep providing it every month through all the years of their greatest need?

You may think that carrying enough insurance to provide such an income is beyond your means. But actually, a new kind of life insurance has recently been developed, by which even a father who developed by which even a father who earns \$15 a week can afford to leave his family \$100 every month!

Called Multiple Protection, this unique plan gives your family a check for whatever amount you designate, every month for 20 years. Then, when your children are grown and self-supporting, the same plan provides a generous sum to keep your wife independent as long as she lives.

Multiple Protection is sponsored by The Union Central Life, a 70-year-old, \$300,000,000 company offering all approved life plans.

It won't obligate you in any way to find out all about this remarkable new money-every-month plan. Send the coupon to get, by mail, a booklet containing all the interesting details.

THE UNION CENTRAL LIFE INSURANCE COMPANY
Cincinnati, Ohio

Please mail, without obligation, the booklet that explains clearly how Multiple Protection family life insurance provides money every month.

Name _____
Address _____
City _____ State _____

The UNION CENTRAL LIFE Insurance Company
\$300,000,000 INSTITUTION FOUNDED IN 1857

THE toughest job in selling life insurance is to get the prospect to *think critically* about the life insurance he owns . . . to get him to analyze seriously how many dollars and cents of *income* it would give his family, and for *how long*.

Once he's got *that far*, he's likely to decide for *himself* that he vitally needs some additional money-every-month life insurance.

The Union Central ad shown above (February 14th TIME) not only will get several hundred thousand top-notch prospects to thinking critically . . . it will also introduce them to a most attractive money-every-month contract, *Multiple Protection*.

Union Central men who follow up will find a lot of these prospects hungry for further facts . . . will even find some sales already "in the bag!"

**The
UNION CENTRAL
Life Insurance Company**
CINCINNATI, OHIO

Public Hearing March 2 on Illinois Code Bill

VEXATIOUS DELAY PENALTY

Fight May Be Made on Obnoxious Provision—Moser Reviews Some Requirements

The senate insurance committee of the Illinois assembly March 2 is to conduct a public hearing on the proposed state insurance code, which has been introduced in both branches of the legislature.

Insurance people may seek to knock out of the code bill the section providing for 25 percent penalty upon the insurer in the event of "vexatious delay" in the settlement of claims. Members of the bar association committee have been telling the insurance companies that there is a public demand for some provision of this kind and that the insurance companies had better accept what is proposed in the code or something more drastic might be enacted. The provision is for a penalty of 25 percent of the amount of the claim or \$500, whichever is the smaller. Insurance people believe that this means the penalty will be imposed automatically whenever an insurance company loses a case.

In Texas there is a 12 percent penalty for vexatious delay, but this applies only to life insurance companies. South Carolina has the most obnoxious statute of this kind. It provides for the assessing of punitive or exemplary damages upon the insurer. Some strange results have come from that law. Somewhat recently there was recovery of \$50 under an industrial life insurance policy, but the claimant got \$1,800 in exemplary damages.

Lecture by Moser

Attorney Henry S. Moser of Chicago gave a lecture on the code in his city Tuesday evening. He is chairman of the committee of the Illinois Bar Association that drafted the instrument.

The lecture given by Mr. Moser was persuasive as well as explanatory. He urged insurance people to take the large view and overlook incidental objections in the interest of the common good.

Except for the agents' and brokers' act and the district, county and township mutual acts, the code is designed to take the place of all other insurance statutes. In drafting the code, he said the language and terminology of the Illinois business corporation act was followed as closely as possible. For the first time an attempt is made to give effective control to the department over companies in process of organization. Requirements for new companies are stiffened.

Mutual Benefits Outlawed

Organization of any new mutual benefits or burial societies is prohibited. He mentioned that of the 112 mutual benefits chartered in Illinois since 1927, only one-half are still in business.

The code defines an admitted asset. Had the proposed investment section been in effect during the past 10 years, he expressed the belief that life company failures would have been avoided.

Foreign companies do not have to comply rigidly with the investment formula applicable to domestic companies but foreign companies must have a degree of solvency equal to that required of domestic companies.

Provisions have been introduced that were prompted by the famous American Bankers decision of the Illinois supreme court. Under that decision voluntary liens on reserves given by policyholders may be treated as an admitted asset or as a deduction from liabilities. The code prohibits any company from becoming party to any agreement with a policyholder whereby the assured waives any standard provision required by the code for his benefit. Agreements

Cincinnati Producer Is New Round Table Member

B. H. Wulfekoetter, Massachusetts Mutual agent, Cincinnati, has officially qualified for the Million Dollar Round Table with a paid business of \$1,027,000 in the period from Dec. 1, 1935, to Dec. 1, 1936. He is a civil engineer by training, and soon after graduation from college, talked with L. C. Witten, who was then general agent of the Massachusetts Mutual in Cincinnati. Mr. Witten sold Mr. Wulfekoetter on the idea of going into the life business, in which he has been nearly 15 years.

In his 15 years in the field, he has had 185 clients, including two who died. He wrote 13 new lives last year and ordinarily writes from 35 to 38 lives a year. Every year his business in force has shown a consistent gain, right through the depression. Mr. Wulfekoetter believes in concentrating on a comparatively small group and giving that group a real job of servicing. Earning curves are plotted with each assured, the amount of protection carried rising in a synchronized manner with increased earning power.

Mr. Wulfekoetter does not specialize on "big" cases. He writes many smaller cases but uses a highly selective prospecting system. He makes an elaborate audit for each client and the audit is kept up to date at all times.

containing voluntary liens which have not been approved by a court in a liquidation proceeding are not to be considered admitted assets and the department in the valuation of policies is prohibited from reducing the liabilities as a result of unapproved voluntary liens.

There is a provision regarding unauthorized companies that is unique. It is that the issuance or delivery of a policy by any unauthorized company doing business in Illinois shall constitute the appointment of the insurance director as attorney for service. This section is modeled upon the statutes under which a non-resident, who is involved in an auto accident, appoints the secretary of state attorney for service. These statutes have been held constitutional by the U. S. Supreme Court.

Included in the liquidation section is the uniform liquidation act recommended by the American Bar Association and approved by the insurance commissioners convention.

The privilege tax would be changed so as to apply only to direct business and not to reinsurance premiums received.

Very few changes affecting life insurance were made in the code bill that was actually introduced from the code as drafted by the bar association committee.

The Illinois Fraternal Congress is adopting a neutral attitude on the code, President John Stock said. The committee appointed by Mr. Stock to study the code expresses hope that the restrictions on municipal bond holdings will be relaxed somewhat. The committee is not expected to go on record as endorsing the code.

Col. C. B. Robbins, general manager of the American Life Convention, are leading a strenuous life this week. The Financial Section met in Chicago Monday which both attended. The executive committee of the A. L. C. also met that day. On Tuesday morning word was received of the death of President J. B. Reynolds of the Kansas City Life which necessitated immediate notice to members and arrangements for the official delegation to attend the funeral. Both these officials then left for Washington, D. C., where on Wednesday they were at a hearing on the social security act. They reached Chicago Thursday and with Miss Mildred Hammond, assistant secretary, left for Kansas City to attend Mr. Reynolds' funeral.

Appleby Finds 1936 First Full Year of Recovery

Life insurance companies enjoyed in 1936 their first full year of results of both natural recovery and artificial recovery programs, T. W. Appleby, president Ohio National Life, declared in an address at the mid-year meeting in Chicago this week of the Financial Section of the American Life Convention.

While the lowering rate of return on money was not encouraging, he said, and there were other factors causing concern, on the whole the year developed "a conspiracy of very many favorable factors relating to our portfolios."

Sum Up Situation

Mr. Appleby summed up that bond prices advanced tremendously, 20 selected municipal issues, including those of New York, Cincinnati and San Francisco, showing average price advance from 117½ on Dec. 31, 1935, to 124¾ at the end of 1936, with average yield decreased from 3.15 to 2.65 percent in the same period. Business activity, domestic and world prices, world production of goods, all advanced substantially.

An encouraging factor was that regularity of interest payments was better than in the last five years. A questionnaire sent to 100 companies developed that in almost every case mortgage and real estate deals were better, but bond yields were lower.

Notes Borrower's Market

A borrower's market has resulted from the fact that there has been no foreign lending, little foreign trade to finance, almost no new issues except those of the United States government, and a fabulous increase in U. S. gold reserve, all of these factors, including the government borrowing, having contributed to a pressure of funds in the market with an almost stationary demand. Consequently there has been a decreasing yield on new and refunding issues.

The mortgage structures of life companies improved because incomes of farmers was supplemented by government subsidies and increased wages and income from business in urban centers enabled dwellers there to improve their situation. Past due items in annual statements of life companies showed substantial decrease.

Lower Interest Demanded

The mortgage structure is sounder but generally at lower interest rates, most of the mortgages made in 1936 being on lower interest earning basis than used to be considered normal. There has been a continuing demand for lower interest rates on old mortgages, the government lending agencies having educated the borrowing public to expect low charges.

"But also," Mr. Appleby said, "they have educated it to promptness in payment and to the principle of amortization, and whatever we may think of these agencies, they have educated us in the theory and practice of appraisals, and these together constitute a long step in the maintenance of a sound mortgage portfolio." He said estimates on experience to date indicate companies may expect about 10 percent loss on foreclosures on FHA loans.

Gain in 1936 on Real Estate

He said real estate has been a serious problem, as from 1932 to 1934 it seemed possible the major part of life company mortgages would become real estate. There was no demand and no price, and no current value could be placed on real estate. Generally income to compensate for taxes, necessary repairs and management could not be obtained, there thus being a negative yield on the whole. A tremendous gain occurred last year, Mr. Appleby said. In his company this item changed to a positive yield of 0.8 percent in 1934, 1.84 percent in 1935 and 2.3 percent last year.

"The change is not sufficient to lead us to believe we are in the period of a boom that will greatly affect most of our city property," he said. "Those

holding central business property may hope, I think, that they may not be subjected to competition from new building for some years. Suburban business property may be, however." Large apartments, especially of older types, have been a problem due to rapid obsolescence, the desire of the population to be centralized, etc.

Obsolescence Bigger Factor

Obsolescence is a great factor today with new designs, new material, mass production and new kinds of equipment. The quicker life companies get rid of their old houses, the stronger their real estate portfolios will be, he said. If companies retain much of their old poorly located property until another prolonged reaction occurs, they may lose heavily. City real estate continues to increase in assets and constitutes a weakness in the financial structure.

However, there is no fear over farm real estate, Mr. Appleby said. The agrarian interests of the country are in the ascendancy and something will continually be done for the farmer on a national scale and land generally will regain an approximation of its value averaged over the last 30 years. Farm real estate, he said, does not constitute a weakness in the financial structure.

Bonds in portfolios recently have become a greater factor than formerly,

especially in smaller companies, and 1936 was of great help to bonds which have been in the portfolio for some time.

"On the other hand, this market has been a real hindrance to replenishing our portfolios," Mr. Appleby said, "because this replenishing must be done on lower yield basis or by a decrease in quality. Many situations that were bad have resumed their interest payments as a temporary expedient or by extensions of maturities which only give trouble. Our 1936 experience should make us exceedingly cautious that we have not judged many conditions by the size of the coupon and the promptness of its payment." He said a bond is a note, and the note is just as good as the credit behind it.

Triplicate Celebration Set

In March The Provident Life & Accident, Chattanooga, will have a triplicate celebration. It will be continuing its "Golden Jubilee" celebration. It will be celebrating the fact that the first few days of the month it will have passed the \$100,000,000 mark of life insurance in force, and it will be honoring the birthdays of four officials: President R. J. Maclellan, W. C. Cartinhour, vice-president and secretary; H. C. Conley, vice-president, and Dr. C. R. Henry, medical director.

Say Kansas Agent Must Be a Lawyer If Bill Passes

Much interest has been aroused among adjusters in Kansas by the senate bill, which defines the "practice of the law" and the "law business" and prohibits any one not licensed as an attorney to engage in such business. The bill was sponsored by the Kansas Bar Association and has been passed by the judiciary committee of the senate.

The law firm of Allen & Allen of Topeka has made an analysis of the bill. They point out that the bill prohibits any person not licensed as an attorney from appearing before any board, committee or commission constituted by law as an advocate in a representative capacity. Allen & Allen contend that the law covers too much ground in this respect. There are many experts who are not lawyers, but are qualified to appear before boards, committees and commissions.

The greatest objection, according to Allen & Allen, is in the definition of the words, "law business." A person representing a merchant, who was sent out to collect either current or past due accounts, would be prohibited from so doing under this act if not a lawyer. A realtor would be prohibited from draw-

An unparalleled record of progress!

- There isn't a General Agent who was with us in 1935 who isn't with us now.
- Every General Agent except one has substantially increased his insurance in force.
- There were ninety-six agents contributing paid for production in 1935. There were one hundred twenty contributing in 1936.
- The average size of policy in 1935 was \$1,342. The average size in 1936 was \$1,627.
- The average premium per thousand in 1935 was \$28.69. The average premium per thousand in 1936 was \$29.64.
- The lapse record decreased from 16.7 in 1935 to 12.5 in 1936.

We invite inquiries from reliable and ambitious salesmen seeking attractive agency contracts.

PACIFIC NATIONAL

LIFE ASSURANCE COMPANY



Salt Lake City

ing any kind of contract relating to a sale or purchase or mortgage his property for another. He could not write a letter, offering a piece of property for sale, because if the offer were accepted the letters would constitute a contract. The bill would require all soliciting agents for insurance companies to be lawyers. No other person would be permitted to obtain or secure for the company any application or contract of insurance, for a contract of insurance is a property right. The law prohibits a layman from acting in a representative capacity in obtaining or tending to obtain or securing or tending to secure, for his employer property. Every adjuster would have to be a lawyer.

According to Allen & Allen, such a law would disrupt almost every business organization in the state if enforced. There would not be enough lawyers to do the business, even if the lawyers were capable of doing the business, which they would not be in many instances.

UPSET BY ARKANSAS BILL

Adjusters in Arkansas are much concerned by the introduction of a bill in the senate of that state requiring all persons who take statements in connection with or who adjust claims to be attorneys. The adjusters, who would be deprived of their livelihood if such a meas-

ure were adopted, are lobbying against the bill. They point out that not only claim adjusters would be affected but local agents who handle claims of any kind.

New York City Sales Rally

Program Is Announced for the Big Annual Event Which Is Scheduled for March 18

NEW YORK, Feb. 26.—C. B. Merriam, director Reconstruction Finance Corporation, and Dale Carnegie, public speaking expert and author of the best seller, "How to Win Friends and Influence People in Business," will be the speakers at the annual banquet of the New York City Life Underwriters Association March 18. President R. G. Engelsman will be toastmaster.

At the annual all-day sales congress preceding the banquet, the speakers will be Vice-president George S. Van Schaick of the New York Life, former New York superintendent; A. E. N. Gray, assistant secretary Prudential; Miss Cathrine Curtis, national director Women Investors in America; Carroll Day, general agent Pacific Mutual Life, Oklahoma City; Louis Behr, assistant man-

ager Equitable Life of New York, Chicago, and David Fluegelman, Northwestern Mutual Life, New York City. There will be a one-act play by Miss Olivia Orth in which the parts will be taken by members of the association who have had experience in professional or amateur dramatics.

Alberta, Can., Debt Statutes Are Held Unconstitutional

The radical securities act of Alberta, Can., under which the provincial government reduced interest on Alberta bonds and guaranteed securities was held unconstitutional by Justice Ives of the provincial supreme court this week. This followed on the heels of a finding last week by Justice Ewing of the same court that the reduction and settlement of debts act of Alberta also was unconstitutional. This permitted cutting interest and principal on private debts. It was deemed the foundation of Premier Aberhart's social credit government.

American and Canadian life companies have been much concerned over the sensational moves in Alberta by Premier Aberhart, of which these two acts were typical, for they would greatly have affected value of securities held.

Interest and Mortality Figures for 1936 Shown

Interest and mortality figures of 80 life companies for 1936 which will appear in the "Little Gem Life Chart" published by THE NATIONAL UNDERWRITER Company are shown below. These present percentages of net interest to mean invested assets and actual to expected mortality as taken from the companies annual statements. The tabulation is:

	Net Interest to Mean Invested Assets Percent	Actual to Expected Mortality Percent
Aetna	3.84	72.7
Amer. Life, Mich.	3.97	57.2
American United	4.46	86.6
Baltimore Life	4.37	66.7
Bankers Life, Iowa	3.98	63.0
Bankers Life, Neb.	3.23	42.3
Business Men's, Mo.	4.17	52.0
Capitol Life, Col.	4.44	44.7
Central, Ill.	4.15	55.1
Columbus Mutual	3.15	42.2
Conn. General	3.85	*64.1
Conn. Mutual	3.80	54.6
Conservative, W. Va.	3.83	59.1
Equitable Life, Ia.	3.83	48.8
Eureka-Maryland	4.21	73.3
Farmers & Bankers	3.19	44.7
Farmers & Traders	3.86	47.9
Franklin Life	3.30	51.3
Geo. Washington	4.37	79.3
Girard Life	4.21	69.4
Great Amer., Kan.	3.79	45.4
Great Northwest	4.83	23.1
Home Beneficial	2.67	80.1
Home, N. Y.	4.29	59.5
Imperial, N. C.	5.41	71.2
Jefferson Standard	4.96	59.5
Liberty, Kans.	3.69	40.4
Liberty Natl.	4.73	59.6
Life of Virginia	3.53	52.7
Lincoln National	3.54	64.0
Loyal Life	2.76	25.1
Manhattan Mutual	3.99	33.2
Mass. Mutual	4.13	66.5
Mass. Protective	3.84	49.5
Midland Mutual	4.06	44.0
Midland Natl.	2.71	45.0
Modern, Minn.	4.82	35.2
Monarch	3.95	26.7
Montana Life	4.42	53.0
Monumental	2.06	42.5
Morris Plan	3.93	52.8
Mutual, N. Y.	3.69	66.1
Mutual Trust	3.80	43.8
National Fidelity	3.15	48.9
Natl. Life & Acc.	3.72	47.0
National Life, Vt.	4.02	56.0
New England Mut.	3.96	59.9
New World Life	3.77	53.7
North Amer., Can.	4.89	54.6
Northwestern Mutual	3.74	56.8
Northwestern Nat.	3.76	45.0
Occidental, N. C.	4.25	41.4
Ohio National	4.27	42.2
Ohio State	4.23	46.1
Old Republic Credit	3.37	63.7
Oregon Mutual	4.50	41.0
Pacific National	4.67	47.4
Pan-American	4.35	55.9
Paul Revere	3.14	63.3
Phoenix Mutual	3.41	53.9
Provident Life, N. D.	3.28	34.9
Provident Life & Acc.	3.88	72.3
Reliance Life, Pa.	4.13	62.2
Reserve Loan	3.43	48.3
Rockford Life	3.93	54.8
Security Life & Trust	4.78	48.7
Security Mutual, Neb.	3.66	34.7
Shenandoah Life	4.33	74.0
Southeastern Life	4.97	72.9
Southwestern, Texas	4.38	61.2
State Farm	4.02	35.7
State Mutual	3.91	65.5
Sun Life, Md.	3.74	35.9
Texas Prudential	4.72	61.6
Union Cooperative	4.95	88.4
United Benefit	4.01	50.0
United, Ill.	2.36	88.6
Volunteer State	3.53	67.7
Washington Natl.	4.03	52.6
Yeomen Mutual	3.97	74.3

*Ordinary only.

Bankers Union Stop Order

WASHINGTON, D. C., Feb. 25.—The Securities & Exchange Commission Feb. 23 issued a stop order suspending the effectiveness of a registration statement of the Bankers Union Life Company.

The company was incorporated under the Colorado laws in 1928 for the purpose of securing funds, by the sale of its own securities, to finance the Bankers Union Life Insurance Company, also a Colorado corporation, of which the registrant owns all the outstanding stock. A third company, the Bankers Union Finance Company, was organized for the purpose of acting as selling agent for the registrant's securities. C. B. McCormick is now president of all three companies. The stop order was issued on the ground that the registration statement and prospectus contain misrepresentations or omissions of material facts.

1847

Our 90th Year

1937

A Record of Progress

During 90 years of service, the Canada Life has been privileged to act as the medium through which hundreds of thousands of policyholders in all walks of life have co-operated to build up a fund mostly out of small savings, to be returned later as benefits to themselves or their beneficiaries.

Assets accumulated in this way crossed the \$250,000,000 mark in 1936. This large sum is necessary in order to meet the requirements of the \$814,000,000 of life insurance now in force, which includes over \$57,000,000 of new paid life insurance entrusted by clients to the care of this Company during the past year.

In Canada and the United States an increase of over 20% in new paid ordinary life insurance was effected as compared with 1935.

The effect of these co-operative efforts through the years since 1847 is

best evidenced by the fact that the Canada Life has paid to policyholders, annuitants and beneficiaries, or has accumulated on their behalf more than \$600,000,000, a sum which exceeds the total premiums received during the Company's existence by more than \$50,000,000.

In 1936 alone, the Company paid the very large amount of over \$26,000,000 to its policyholders, annuitants and beneficiaries. These payments amounted to an average of \$2,202,877 every month, or \$505,578 every week. Living policyholders and annuitants received \$18,900,000, or 72% of the total paid.

Such payments have brought a measure of comfort and security into hundreds of thousands of homes—have been the means to a happy retirement for thousands of policyholders themselves.



The Canada Life
Assurance Company
Established - 1847

LEIGHTON MCCARTHY, K.C. President
HERBERT C. COX Chairman of the Board
E. R. WOOD, LL.D. Vice-President
A. N. MITCHELL. Vice-President and General Manager

Canada's Oldest Life Assurance Company

LEGISLATIVE • DIGEST •

ESTATE TAXES

Wisconsin—At an assembly taxation committee hearing on the Halvorsen bill to tax life insurance proceeds of \$10,000 or more in cases where one person takes out and pays premiums on the life of another person, life companies and fraternalists argued against the measure. They maintained it would be an entering wedge by the state to tax life insurance proceeds under the state income tax law. It was argued that life insurance is not income, but it is an indemnity against loss of income by a breadwinner.

Indiana—Insurance companies are protesting a bill introduced in the house providing for radical revisions in the state inheritance tax laws. Principal features are: Taxing life insurance death benefits over \$5,000; levying taxes on gifts, and increasing exemption for widows from \$15,000 to \$25,000. All in excess of \$5,000 would be considered part of the decedent's estate and subject to taxes ranging from 1 percent over \$25,000 to 20 percent over \$1,000,000. The bill was prepared by the inheritance division of the state board of tax commissioners.

INVESTMENTS

Nebraska—Requires investment by foreign companies of 30 percent of Nebraska reserves in Nebraska securities under penalty of paying additional 2 percent gross premium tax.

Indiana—Bills, quite strongly supported, would eliminate possibility of security a deficiency judgment in connection with the foreclosure of mortgages. This would greatly depreciate the value of real estate mortgages in Indiana if passed.

Michigan—Governor Murphy has

signed the bills extending until Nov. 1, 1938, the moratoria on real estate mortgage and executory land contracts. The old moratoria laws expire March 1.

Michigan—George Weadock, chairman of the senate insurance committee, is sponsoring a bill to make permanent the investment by life and casualty companies in special preferred stock issues. A temporary measure expires in May. The insurance commissioner approves the bill.

Missouri—Bill revising investment requirements of life companies ordered printed by house. The provisions are similar to the investment section of the defeated 1935 code bill. It permits investment in new securities in well established corporations. P. B. McHaney, special insurance department counsel and director General American Life, prepared the bill.

Wisconsin—Both houses have approved a bill providing for an extension from April 1 of the Wisconsin mortgage moratorium act for two more years.

FRATERNALS

Nebraska—Insurance committee recommends indefinite postponement of two bills asked for by the Royal Highlanders, Lincoln fraternal, permitting fraternalists to be transformed into mutuals, to consolidate or to make reinsurance contracts.

Texas—The senate has approved a bill exempting fraternalists from paying 1 percent of gross premiums for old age pensions.

GENERAL

Missouri—House bill 33 and senate bill 9 have been killed. They sought to authorize cities of less than 30,000 population to levy a license tax on all occupations. The Missouri Association of Life Underwriters is contesting the municipal taxes on agents in the smaller cities and the bills sought to legalize this practice.

Sign Equitable's Annual Statement



Each of the 104 annual statements filed by the Equitable Life of New York must be signed by the president and three other designated officers. In this picture President T. I. Parkinson is shown at the head of the table affixing his signature. Other officers at the table are M. C. Laffey, treasurer, who has since been promoted to second vice-president; R. D. Murphy, vice-president and actuary, and Alexander McNeil, assistant secretary.

Schedule Regional Meetings

W. C. Lennie, superintendent of agents of the Farmers & Traders Life of Syracuse, N. Y., expects to leave the latter part of March to conduct a series of regional meetings in the larger cities in the eastern states.

The Standard Life, Jackson, Miss., seeks to amend its charter to permit ownership and operation of a radio station. The company's plans were not made public. The Lamar Life, also with home office at Jackson, operates station WJDX.

Twenty-Seventh Annual Statement

HELENA • MONTANA LIFE INSURANCE COMPANY • MONTANA

RESOURCES

Home Office Building	\$	1.00	0%
(Cost \$245,516.22 in 1924)			
Bonds	\$	6,735,906.06	50.21%
U. S. Government	\$1,020,818.78		
State, County and Municipal	\$2,337,013.43		
Ratings			
Utility, Railroad and Industrial	AAA	33 %	87 %
	AA	28 %	
	A	26 %	
	BBB	10 %	12.5%
	BB	1 %	
	B	1.5%	
	CCC	0.5%	0.5%
		\$3,378,073.85	
First Mortgage Loans	\$	2,541,178.07	18.94%
Real Estate	\$	160,500.00	1.19%
Balance Due on Real Estate Sold.	\$	192,997.51	1.44%
(Being paid for in installments)			
Loans to Policyholders	\$	3,300,154.38	24.60%
Other Resources	\$	485,018.01	3.62%
Cash	\$137,524.31		
Interest earned	\$107,317.92		
Current net premiums and other items	\$240,175.78		
TOTAL RESOURCES	\$13,415,755.03	100.00%	

OBLIGATIONS

Present Worth of Outstanding Policies	\$10,715,274.00
(Legal reserve)	
Present Worth of Balance Due Under Claims	
Being Paid in Installments	\$ 222,983.00
Claims	\$ 50,532.00
Notice of claims received but proof not yet submitted	\$ 25,532.00
Set aside for any possible 1936 claims not reported by December 31, 1936..	25,000.00
Interest Paid in Advance	\$ 86,890.00
(Not yet earned)	
Premiums Paid in Advance	\$ 67,935.00
(Not yet due)	
Taxes (for 1936 but payable in 1937)	\$ 17,707.00
Current Expenses	\$ 21,152.53
TOTAL OBLIGATIONS	\$11,182,473.53
Surplus to Policyholders	\$ 2,233,281.50
Capital stock	\$ 500,000.00
Voluntary contingency surplus	233,281.50
FREE SURPLUS	\$1,500,000.00
TOTAL	\$13,415,755.03

Mortgage loans are confined to improved city and country property, in amounts not more than 50 per cent of a conservative appraisal. Of these loans, 90 per cent provide for the payment of interest monthly and a reduction in the amount of the loan each month. The amount of interest earned included in the statement of resources does not include interest in any case where it is more than 30 days past due.

Because Home Office buildings cannot be used to pay death and other claims, the beautiful Montana Life building is carried as an asset in the sum of only \$1.00. All other real estate is listed conservatively, demonstrated by the fact that all sales in 1936 were for amounts in excess of the book value.

For each \$100 of obligations, the Montana Life has \$120 in resources. Under the law of Montana the present worth of all policies of Montana insurance companies must be kept on deposit with the State Insurance Commissioner. The Montana Life has on deposit with him \$12,467,304.40 which is \$1,742,030.40 or fourteen per cent in excess of what the law requires.

The market or actual value of bonds owned by the Montana Life December 31, 1936, substantially exceeded the values shown in this statement. Not a single bond was in default.

INSURANCE IN FORCE, \$41,778,616.00

Surplus to Policyholders, Including Voluntary Reserve, Over \$2,200,000.00

Indirect, Low Pressure Sales Method Is Found Best

Life insurance selling is only as complicated as the agent makes it, H. W. Abbott, general agent Massachusetts Mutual, Pittsburgh, told the Chicago Association of Life Underwriters at the February meeting. The sale can be made so simple that the subject of life insurance is never mentioned and there is no suggestion of cost, dividends, various clauses, etc.

Mr. Abbott has been highly successful, using almost exclusively for his own personal canvassing a technique that employs a 20-second approach that answers at the outset of the interview four questions which Mr. Abbott said arise in the mind of every prospect when approached. These are: "Who is this fellow? Who is he with? What does he want? How can I get rid of him?"

Uses 20-Second Approach Meeting Initial Resistance

Mr. Abbott's approach, practically verbatim, is: "My name is Henry Abbott. I am connected with the Massachusetts Mutual Life. I stopped in just for a moment. The purpose of my call is to make an appointment with you for tomorrow or next day, or, better still, right now if convenient. What is your pleasure?"

This is in key with his detached, low-pressure selling attitude. Mr. Abbott said he does not go to see a man for the first time with the intention or thought of selling him life insurance. He could not know whether the man needs or wants life insurance. He goes solely to sell an appointment.

Frequently, of course, he strikes a man who says he does not want to talk about life insurance. In such case Mr. Abbott promises that he will not mention life insurance if the man will promise not to himself, then continues urbanely to press for an appointment. If he secures it he returns at the appointed hour, reminds the man that he has promised not to talk about life insurance and proceeds to talk instead about the man's problems and needs, bringing out indirectly the fact that only life insurance will fill them.

His policy is always to lead and never to push the prospect to a conclusion. He maintains complete control of the interview while seeming to be only friendly

and natural. He conducts what amounts to the simplest school lecture on life problems, by indirections and significant pauses inducing the prospect to discover certain facts and points for himself.

"The ideal life insurance interview," Mr. Abbott said, "consists of a series of acts just like a vaudeville show. At the point in the approach when the prospect says, 'Sit down,' the approach is over and the curtain goes down, to go up immediately on the second act."

Throughout his interview when he had been requested not to talk about life insurance, every few sentences Mr. Abbott reminds the prospect he is keeping his word. Eventually if he interests the man he leads him to invite a discussion directly of life insurance.

Sales Demonstrations Show Simplicity of Interview

Mr. Abbott gave two sales demonstrations, one involving a hypothetical doctor who had \$5,000 insurance and no margin whatsoever for life insurance premiums. Such a case is quickly identified as a package sale, Mr. Abbott said, and the interview is directed to closing the man for some small amount involving sacrifice and saving of \$1 or \$2 a week. The other case was of a successful physician who could set aside \$1,000 a year, which he was putting in investments that did not turn out particularly well.

This interview brought out that the man's first problem was to make a living. His second was an old age income and the third, protection for his family in case of premature death. Mr. Abbott wrote the sum \$4,000 on the blackboard, representing income, and under it \$3,000 for living expenses, drawing a line and subtracting, leaving the remainder \$1,000. Then he asked where the average man put this surplus. He pointed out that any surplus invested should be in such form as could be liquidated on the day that he died.

Induces Man to Mention Life Insurance as Investment

He then asked the prospect to name a few types of investments, such as home, life insurance (which the prospect was led to suggest and not Mr. Abbott), building and loan, bonds, stocks,

savings, mortgages, etc. He showed by a process of elimination that all the other investments than life insurance were worth only the sum of the annual investment plus interest accumulation, with some possible appreciation in value. He made a simple calculation after having secured the prospect's estimate as to income needed for his family and himself, showing that \$30,000 invested at 4 percent net is required to return annual income of \$1,200, or \$100 a month. He made the indirect point that an authority had stated that a life policy in 30 years would have cash value of \$666 per \$1,000, or \$20,000 cash in a \$30,000 policy. Under the options he demonstrated this \$20,000 would return more than \$100 income per month for the man and his family.

Prospect Forced to Action by Request for Paper, Pencil

Mr. Abbott uses the paid up at 60 life form for all purposes. In January he sold \$90,000 and so far this month \$60,000. He never carries a pen or pencil that is visible, but for emergencies has a small stub which he carries in a vest pocket. He continuously through the interview by this and other means causes the prospect to be in action. The prospect must produce paper and pencil, do the calculation and finally produce the fountain pen with which the application is signed.

"If the man doesn't have a fountain pen or isn't willing to loan it to me," Mr. Abbott said, "he isn't entitled to buy a policy. I haven't time to sell life insurance to the man who has to be resold every quarter. I never do anything for my prospect; if I did he might never get around to thinking of buying a policy from me."

Mr. Abbott was introduced by J. H. Dingle of Bokum & Dingle, general agents Massachusetts Mutual, Frederick Bruchholz, president of the association presiding.

H. R. Halsey, senior assistant secretary of the Manhattan Life, died in Metropolitan hospital following injuries received in an automobile accident the day previously. He was 72 years of age. He had been connected with the Manhattan Life 54 years. His father was a vice-president of that company and one of its founders. At the time of his death he was in charge of the claim department.

L. M. B. Morrissey, Davenport, Ia., manager of the Phoenix Mutual Life, has been reelected president of the Davenport Boy Scout council. It is Mr. Morrissey's second term.

Life Advertisers Eastern Round Table in New York

SOUTHERN GROUP SETS DATE

Will Hold Its Meeting at Nashville, Tenn., May 6-7—Executive Committee Meets

NEW YORK, Feb. 25.—The Eastern Round Table of the Life Advertisers Association was held here today with Stewart Anderson of the Penn Mutual presiding. It was preceded by a meeting of the executive committee of the L. A. A.

Following that meeting, Karl Ljung, assistant secretary Jefferson Standard Life and chairman of the Southern Round Table, announced that its meeting will be held May 6-7 at the Hermitage Hotel, Nashville, Tenn. Emmett Russell, Life & Casualty, is chairman of the arrangements committee and will be assisted by E. M. Kirby, National Life & Accident of Nashville. The program will be strictly confined to developments of the last 12 months in advertising, sales promotion and conservation. C. C. Fleming, Life of Virginia, president of the L. A. A., will hold an executive committee meeting in connection with the Nashville gathering.

B. N. Mills' Talk

Secretary B. N. Mills of the Bankers Life of Iowa, in his talk spoke of advertising in the "Saturday Evening Post," with a circulation of 3,000,000. He thinks that about 600,000 readers get some sort of an impression of an advertisement. Of these he asked how many are life insurance prospects and how many can be reached by the sales organization. Speaking further, he said: "On the basis of the situation as outlined what is the answer? How can sales promotion be brought to bear in the only way is to work out a plan by which the individual salesman and his individual prospects are brought face to face with each other and the advertisement. In this way the force of the advertisement can be used to bring immediate business returns. The actual performance of this task will vary in each company organization but the procedure is simple for any company accustomed to the carrying out of sales campaigns—and I believe all companies are. Essential to the success is cooperation of all departments."

LIFE ADVERTISERS ASSOCIATION SPEAKERS



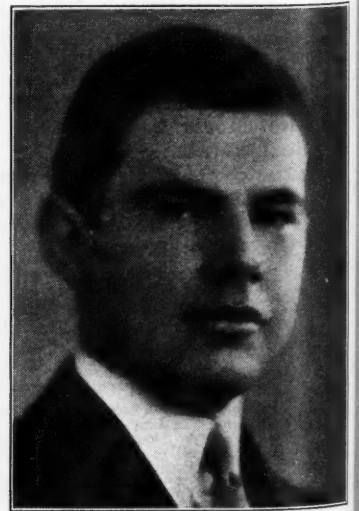
C. C. FLEMING



BERT N. MILLS



N. A. WHITE



L. J. EVANS

Four of the prominent speakers at the eastern round table meeting of the Life Advertisers Association in New York this week were, C. C. Fleming, Life of Virginia, who is president of the organization; Bert N. Mills, secretary Bankers Life of Iowa; N. A. White, advertising manager Provident Mutual; L. J. Evans, assistant agency director Northwestern Mutual.

Claim Former Commissioner Knew Pacific Mutual Status

SAN FRANCISCO, Feb. 25.—Charges that former officers of the Pacific Mutual Life were guilty of making loans to subsidiary organizations with a resultant loss of about \$1,000,000, and that other actions of these officers including payment of dividends to stockholders, which were impairing capital were known to the California department before Commissioner Carpenter took office, were the principal points developed in the first two days of investigation conducted by the so-called Donihue investigating committee of the California legislature.

Lawrence Rouble, supervising examiner of the department under former Commissioner Mitchell, made these and subsequent statements which prompted a report following adjournment that proposed legislation aimed at strengthening California's insurance laws to prevent a recurrence of such conditions would be supported.

In this particular the inquiry, which started out presumably to be a "fishing expedition" to attempt to find fault with the reorganization plan of Commissioner Carpenter, has turned out to be an aid to legislation he desired to "fill the gaps" in the present laws.

W. H. Neblett, law partner of United States Senator McAdoo, who attempted to prevent approval of the Carpenter plan by the Los Angeles superior court and who now has an appeal before the state supreme court, was practically "discharged" from his appointment as attorney for the committee. His departure from Sacramento was reported to have followed a day of hectic argument between members of the committee and Neblett, whose efforts were to be primarily, it was reported, in attempting to prove that the rehabilitation plan was illegal. The committee repeats its first statement that the investigation will not go into the plan as being operated by Mr. Carpenter. Former Commissioner Mitchell has been summoned before the committee.

Assemblyman Donihue announced that he had excused all witnesses except Commissioner Mitchell "until further notice." This means that the investigation will be postponed indefinitely.

Some Comprehensive Data on Illinois Life Fund

(CONTINUED FROM PAGE 4)

secure a release of the assets, pending the determination of its claim by the courts, government obligations totaling \$325,000 were deposited with the RFC. Assets were increased thereby \$206,867.

During the year \$176,070 of farm loans were paid, \$99,751 were refinanced through federal agencies. Farm loans decreased for the year \$605,208. City loans of \$23,550 were sold. Real estate increased \$258,981. Real estate in what is known as the dust bowl in Kansas and Oklahoma was written down \$260,598.

During the year the reorganization of the LaSalle Hotel in Chicago was completed and \$1,326,608 was advanced for the purpose of rehabilitation. This was owned by the Illinois Life. It will be necessary, the report says, to advance further sums during the year to complete the rehabilitation. It is anticipated that when the property is put in proper shape it will be in a position to pay a reasonable return on the investment. It is the purpose of the Central Life, the report says, to dispose of this hotel when a fair price can be obtained.

Mortality Ratio Increases

The mortality ratio last year was 75.62 percent as compared with 67.12 percent in 1935. The net interest earnings were 2.95 percent. The assets are \$11,568,604, of which 18.9 percent are in farm loans, 1.8 city, 27.4 real estate, 13.2 policy loans, 19.3 stocks and bonds, 2.9 government obligations, 2 percent cash, 11.5 obligation of LaSalle Hotel,

contingency reserve \$371,620, net surplus \$2,198.

The Central Life itself outside of the Illinois Life fund has assets \$42,263,330, and including the Illinois Life fund the total is \$53,831,933. It has surplus \$3,405,227. Its new business was \$12,973,132, insurance in force \$159,586,482. Its mortality is 42.54 percent. The net interest earnings were 3.82 percent. The net return from real estate was 2.67 percent. Farm loans decreased \$626,176 and city loans increased \$553,505.

Young Goes to Mutual Trust

Equitable Life Man in New York,
Brother of Vash Young, Joins
Mutual Trust

W. G. Young, Jr., for the past six and a half years with the Equitable Life of New York in home office and field, has joined the Mutual Trust Life at Peoria, to be associated with his friend of long standing, General Agent T. R. Hayes. Mr. Young was a former resident of Illinois before going to New York. He is a brother of Vash Young, million dollar producer, philosopher, public lecturer, and author of several best

J. B. Reynolds, president of the Kansas City Life and one of the founders of the American Life Convention, died suddenly this week. **Page 1**

Recent air crashes, even if much more severe, would not alter aviation requirements, says Vice-president F. Phelps Todd of Provident Mutual. **Page 1**

Financial Section of the American Life Convention meets in Chicago this week. **Page 2**

Various sections of the National Fraternal Congress meet in Chicago; discuss social security, legislative influence and recruiting. **Page 3**

selling books, including "A Fortune to Share," "Let's Start Over Again," "The Go Giver" and others. Mr. Young served the Equitable for three and a half years as assistant to A. H. Reddall, advertising manager, after which he entered the field as an agent with the Devitt agency in New York, and was later made assistant agency manager.

The Peoria agency of Mutual Trust Life has been showing remarkable growth under Mr. Hayes' leadership. He

Two bills introduced by Congressman Hobbs would curb use of mails by unlicensed carriers. **Page 3**

Wealthy Europeans on visits to U. S. seek insurance here. **Page 6**

Central Life of Iowa makes a report on the Illinois Life fund. **Page 6**

Agents must build their prestige to the high level enjoyed in the public mind by the institution of life insurance, New York City men are told. **Page 27**

Prudential is to use "modified life" principle in industrial insurance. **Page 23**

was transferred to Peoria from Rockford, Ill., in April, 1935, and placed in charge as general agent.

The Volunteer State Life's medical director, Dr. John B. Steele, who suffered severe injuries in an automobile accident Jan. 5 is improving fast and will be back at work about March 1.

The North American Mutual of Petersburg, Va., has been chartered.

BUILDING FOR STABILITY

NWNL'S GROWTH DURING
THE PAST TEN YEARS (1926-1936)
HAS BEEN EXCEPTIONALLY SOUND
AND STABLE...WHILE ITS
INSURANCE IN FORCE HAS
INCREASED 68% AND ASSETS
HAVE INCREASED 141%, SURPLUS
FUNDS HAVE INCREASED 172%

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

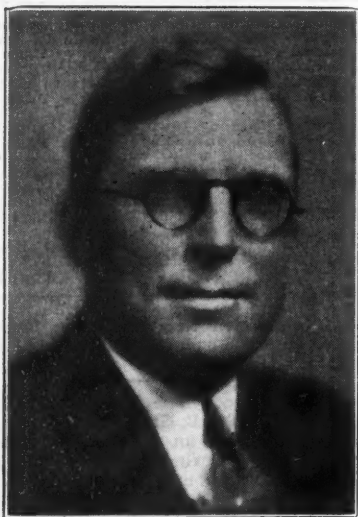
O. J. ARNOLD, PRESIDENT

STRONG

MINNEAPOLIS, MINN

LIBERAL

Celebrates 25th Year with Outstanding Record



ROBERT A. BROWN

Robert A. Brown of the home office agency of the Pacific Mutual Life, leading producer of the company for 1936, life member and former chairman of the Million Dollar Round Table, automatically becomes president for 1937 of the Big Tree Club, the honor organization of Pacific Mutual salesmen.

Last year Mr. Brown celebrated the completion of his 25 years of service by leading the 1,500 agents of the company every month throughout the year. It was his most successful year since 1930 and his third best year since he entered the business.

The Pacific Mutual has sent out a brochure commemorating Mr. Brown's work. In 1936 he celebrated his 25th anniversary with the Pacific Mutual and also his silver wedding anniversary.

In speaking of Mr. Brown the Pacific Mutual says, "Robert Brown loves people and he knows life insurance. These two interests and their relation to each other dominate his thinking and his way of living. They represent the sum-total of his success-secrets. They have been the dominating forces in his long record of professional success. And, quite naturally, they shaped the plans for his silver anniversary observance."

A number of times he has been the leader of the Pacific Mutual sales force. He is one of four agents who have qualified for membership in the Big Tree Club ever since it was established 22

years ago. In 1931-32, when he was chairman of the Million Dollar Round Table, he also was president of the Los Angeles Life Underwriters Association. The Pacific Mutual in speaking further of Mr. Brown says:

"The story of Robert Brown's achievements is the story of a career built upon a golden rule—a story of service, tireless, unselfish, always enthusiastic. He came into the underwriting profession in 1911. To do it he relinquished (not without the natural apprehensions of a young man about to be married) a substantial salaried position. But, once convinced of the wisdom of the step, he threw himself into his new profession with that superlative enthusiasm which has dominated his whole career—an enthusiasm which today communicates itself to all who contact him, through his brisk step, his kindly smile, his happy greeting; and has so developed in him the gift of genuine friendship that men in all walks of life number him among their staunchest friends."

C.L.U. NEWS

C. L. U. INFORMATION

Every once in a while THE NATIONAL UNDERWRITER receives an inquiry as to where information can be secured as to the C. L. U. study course. All communications should be addressed to David McCahan, dean American College of Life Underwriters, northeast corner 36th and Walnut streets, Philadelphia.

* * *

DISCUSSES BENEFICIARIES

E. G. Brown, vice-president and actuary of the Southwestern Life, spoke to the Dallas C. L. U. chapter on "Correct Beneficiary Designation."

* * *

MCCAHAN D. OF C. SPEAKER

Dr. David McCahan, dean of the American College of Life Underwriters, will be the speaker at the meeting of the District of Columbia C. L. U. chapter, March 22, celebrating the tenth anniversary of the founding of the American College.

* * *

CHICAGO ANNIVERSARY DINNER

Celebrating the 10th anniversary of the organization of the Chicago C. L. U. chapter, the Chicago Life Underwriters Association and C. L. U. unit will sponsor a banquet March 22.

Liberty National Statement

The Liberty National Life of Birmingham shows insurance in force stood

at the highest point in the history of the company, increasing by more than \$9,500,000 during the year to a total of \$58,910,693. Income of \$1,956,521 exceeded the previous year's figure by nearly \$300,000. Assets are \$3,514,807, an increase of 17%. Surplus to policyholders increased by 21% to \$512,135, more than one seventh of total assets. Market value of bonds over amortized value, not reflected in the statement, amounted to \$32,978.90.

Court Review of Individual Agency Contracts Probable

KANSAS CITY, Feb. 25.—Each life company will probably have to submit to the courts its agency contracts for an individual ruling on whether or not its agents are independent contractors or employees, J. T. Langston, tax attorney for the Kansas City Life, told the Kansas City Life Underwriters Association.

"The thing that bothers life companies under the social security act," Mr. Langston said, "is not the old age feature, but the unemployment contribution, which would impose an intolerable burden of bookkeeping. Anyway, when is a life insurance agent unemployed?" he queried.

Should certain agency contracts be held to create an employer-employee relationship the companies probably will revamp their agency contracts to place the agent in the category of independent contractor, said Mr. Langston.

DISCUSS STATUS OF AGENTS

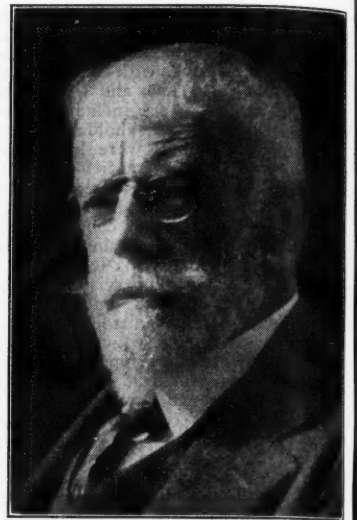
A conference is being held in Washington this week between insurance company representatives and the social security board in another attempt to arrive at a decision as to the status of insurance agents in relation to the old age pension provisions of the social security act. A decision must be reached this week, because the first reports from employers are due before the end of February. Those reports cover payroll deductions in January.

Mollica with Empire State

B. J. Mollica has been appointed supervisor for the Empire State Mutual Life at Syracuse, N. Y. For a number of years Mr. Mollica has been with the Metropolitan Life.

The youngest son of President R. J. Maclellan of Provident Life & Accident, Hugh O. Maclellan, was married Feb. 20 to Miss Charlotte Fowler. Mr. Maclellan, Cornell graduate, is connected with the Provident.

58th Election



WILLIAM ALEXANDER

William Alexander has been elected for the fifty-eighth consecutive time secretary of the Equitable Life of New York, a position which he has held consecutively since 1880. He joined the Equitable Life in 1869 after his graduation from the University of Virginia. For a quarter-century he was associated with the late Henry B. Hyde, founder of the Equitable. In excellent health, he is in his eighty-ninth year the oldest life insurance executive in point of service and continues to be one of its most active. He is the author of numerous books on life insurance, the latest, published in 1935, being "My half century in life insurance," a resume of his colorful career and an intimate portrayal of life insurance in America.

Union Central Club to Meet

Gathering of \$500,000 Group with Home Office Officials Scheduled at Miami, Fla., Feb. 28-30

The Union Central's \$500,000 Club of leading producers will hold its annual convention in the Miami-Biltmore, Miami, Fla., Feb. 28-30. In attendance will be 36 agents and a number of home office officials who will confer on sales methods and company policy for 1937.

A. A. Ebenstein, Los Angeles, who paid for \$1,618,470 last year, leading the field force, is club president. Vice-presidents are Herman Stark and Lester Rosen of New York, whose production was so nearly equal, \$718,592 and \$718,956 respectively, it was decided to confer second honors on both.

Manager-Members Listed

Manager-members included W. E. Barton, New York, member for seven years; J. O. Andrews, Denver, and M. E. Brooks, Memphis, members for five years; P. S. Rank, New York, and H. A. Zischke, Chicago, four years; J. C. Benson, Cincinnati, and Harry Newman, Philadelphia, two years. Mrs. Sis Hoffman, Cincinnati, is the only woman member.

Lincoln National Interest Rate

The payment of excess interest in the case of supplementary contracts of the Lincoln National Life not involving life contingencies is eliminated, effective Feb. 15.

The rates of interest being used on other classes of policyowners' funds will remain as at present, as follows: Dividends left with the company to accumulate at interest, 3½ percent; premium deposit fund, 3 percent; premiums paid in advance, 3 percent; interest factor in dividend formulas, 4 percent.

FIGURES FROM DECEMBER 31, 1936 STATEMENTS

	Total Assets	Change in Assets	Surplus to Policyholders	New Bus. 1936	Ins. in Force Dec. 31, 1936	Change in Ins. In Force	Prem. Income 1936	Total Income 1936	Benefits Paid 1936	Total Disburs. 1936
Amer. Bankers, Ill...	4,095,664	-175,634	249,781	4,979,859	20,398,851	-590,331	500,078	715,775	490,458	918,447
Amer. Citizens, O...	183,800	+14,980	113,071	530,078	1,602,222	+378,611	34,547	45,235	8,918	32,601
Columbian Natl., ...	42,501,452	+1,644,547	3,127,600	18,173,192	163,326,039	+4,708,169	4,677,350	7,396,682	3,846,191	6,237,306
Cosmopolitan, Tenn.	348,689	+35,267	176,548	14,734,404	13,711,449	+1,633,538	270,227	284,562	62,215	255,054
Equitable, N. Y....	1,984,449,584	+168,278,628	78,085,436	773,242,428	6,411,462,887	+185,176,302	295,841,081	421,720,539	181,678,305	261,363,169
Equitable, D. C....	12,378,063	+1,166,099	1,262,691	29,580,426	86,349,386	+10,694,709	2,779,517	3,565,605	1,094,502	3,177,317
Eureka-Maryland	7,694,618	+532,902	755,073	28,050,088	69,832,869	+5,422,258	1,787,929	2,241,263	775,407	1,749,032
Farm's & Trad., N. Y.	7,663,909	+721,312	742,734	4,884,001	39,010,829	+2,285,219	1,041,469	1,397,273	348,545	756,301
Farmers Union, Ia...	1,503,681	+76,549	300,974	1,433,535	8,200,980	-633,495	241,900	348,074	137,534	274,365
Great Northw., Wash.	708,358	+158,088	199,771	1,866,409	10,260,762	+739,049	278,672	322,143	41,055	163,882
Guarantee Mut., Neb.	18,802,254	+1,180,953	1,326,574	18,630,657	126,409,212	+7,370,862	2,967,252	4,665,064	1,952,626	3,624,731
Gulf States, Tex....	4,998,979	+1,267,589	632,011	10,890,958	61,451,955	+1,231,891	1,468,836	3,099,718	1,029,586	1,857,321
Home Friendly, Md...	3,094,143	+206,374	912,286	13,506,783	24,166,999	+2,411,657	1,136,187	1,294,822	428,886	1,103,344
Manhattan, N. Y....	19,662,153	+470,611	1,056,076	5,853,633	64,575,647	-723,370	1,965,460	3,158,694	1,972,556	2,777,898
Natl. Thrift, Neb...	493,816	+53,000	34,000	235,000	1,367,659	+180,000	157,559	183,210	78,364	130,783
Provident L. & A., Tenn.	8,472,204	+1,145,456	2,349,691	18,141,248	98,055,855	+19,405,854	6,541,695	6,941,680	3,623,796	6,156,140
Reliance, Pa.	99,952,607	+8,080,846	4,607,753	43,896,984	420,400,780	+10,832,480	15,592,085	21,458,847	8,789,595	13,401,915
Southern Stand., Tex.	1,335,431	+2,840	160,390	1,315,280	3,556,884	-178,960	182,235	317,041	102,311	263,484
Standard, Ind.	218,006	+95,050	193,349	2,367,000	3,269,000	+2,087,500	109,571	237,242	12,145	161,011
Stonewall, Miss...	286,474	+16,412	127,135	718,119	2,266,074	-38,304	56,481	69,177	15,849	53,665
Supreme Lib., Ill...	1,942,948	+199,717	250,363	41,007,416	33,448,628	+5,709,200	882,442	954,874	261,973	817,422
Union Mut., Me....	21,459,683	+219,781	1,069,924	8,384,208	72,090,812	+1,63,759	2,262,406	3,525,167	2,658,982	3,467,061
United L. & A., N. H.	9,161,874	+729,130	755,485	3,854,714	39,893,305	+400,496	1,319,877	1,870,061	831,973	1,317,513
Volunteer State, Tenn.	22,801,022	+617,262	1,310,007	10,336,131	101,717,134	+161,752	2,736,490	4,424,979	2,379,873	3,784,018
Washington Natl., Ill.	5,219,799	+1,129,179	2,101,169	42,813,688	51,527,252	+7,878,566	1,621,833	1,868,089	367,987	1,777,067
FILATERALS										
Homesteaders, Ia...	4,583,070	+39,453	184,425	2,880,372	20,497,311	+561,107	669,101	881,943	542,016	853,455
Praetorians, Tex...	7,915,561	-42,414	332,659	23,717,650	66,595,095	+5,462,989	1,219,417	1,750,639	619,810	1,900,423
Woodmen of the Wld., Colo.	14,903,879	+632,415	1,141,451	8,329,776	62,157,654	-1,961,293	2,993,108	3,712,992	2,569,714	2,996,827

*Does not include contingency reserve, \$925,000.

†Includes revivals.

*Does not include reserve for investments and contingencies, \$1,144,528.

†Includes A. & H., \$4,955,070.

†Includes A. & H. claims and expenses, \$2,711,406.

Should Meet the Changing Times

(CONTINUED FROM PAGE 1)

important. Wisconsin has a state life insurance fund and in Massachusetts life insurance is sold by savings banks over the counters. Yet in both cases it matters little comparatively because life insurance has to be "sold."

Life men sell what is practically a service that is not only instinctively not desired but it is sometimes unpleasant to consider. To overcome this natural aversion, Mr. Davis said that education is necessary and it is up to the agent to do this. People now have acquired the idea that life insurance will provide the safety that a person wants.

The social security act, he said, did not pass Congress simply because it was a politic thing to do. It was intended to satisfy a desire on part of the public for protection and security in old age.

He considered what life companies are doing to meet this changing attitude. When Ernest Palmer was appointed director in Illinois he had three important objectives so far as life insurance was concerned. First was to see that all companies doing business in the state were sound and honestly managed, that their contracts were fair and reasonable and that everyone selling insurance was honest, competent and well qualified.

Illinois Companies Improve

Mr. Davis said that in Illinois practically all life companies are honestly trying to put their houses in order. There has been a decided increase in assets and life insurance in force reached this year an all time record. He declared that the present Illinois life investment act is the most rigid of that in any state. Life companies, he asserted, are revising their contracts and making them more attractive. They have in-

troduced many services of value to agents and policyholders.

Mr. Davis called attention to the fact that emphasis a few years ago was placed on volume and the mortality rate increased. High interest earnings made large policyholders dividends possible. The day of high interest rates and large dividends, he said, are over, at least for some time. What the companies want today, he said, is a larger number of policies with smaller amounts of insurance on each individual life.

Mr. Davis said that offices are "pepping up" their agency departments. They are calling successful general agents to home offices who become officials in the agency department. They bring to head offices the agents' point of view. The companies, he said, are beginning to seek "career" men rather than casual entries in the business. The C. L. U. movement is gaining in momentum.

Last year Mr. Davis finds about 75,000 men left the life insurance field and this is a great economic waste, in his opinion. Crowding in life insurance is at the bottom and not at the top, he opined.

Mr. Davis took up the subject of sales technique and he asked how that can be improved. He stressed six points.

First he stressed mental attitude, meaning by that the instilling of confidence and gaining a sense of security. The personality of the prospect must be more effectively analyzed and his attitude must be gained.

Second, the problem of selling must be attacked in a shrewder way than in the past. Each situation must be realized and a more ready response sought.

Next, psychological laws must be more carefully studied. A man should

inject vividness into his canvass and interest should be stirred.

Next, Mr. Davis called attention to the necessity of eliciting prolonged attention, desire should be created and an emotional and instinctive response secured.

Lastly, there must be a good job done and satisfaction sought in the mind of the prospect. There must be a completion of a program.

Six Points in Tabloid Form

Adapting some of Dale Carnegie's advice, Mr. Davis gave six more points:

1. Become genuinely interested in your prospect.
2. Smile. Don't just grin. Be natural.
3. Remember that a man's name is to him the sweetest and most important sound in the English language. He wants to perpetuate it.
4. Be a good listener. Encourage others to talk about themselves.
5. Talk in terms of the other man's interest. It is not what you like but what he likes that is important.
6. Make the other person feel important and do it sincerely.

Name Attendance Chairmen

DENVER, Feb. 25.—G. A. McTaggart, chairman of the attendance committee for the annual convention of the National Association of Life Underwriters, has announced a partial list of local attendance committee chairmen for various districts:

W. M. Jones, Salt Lake City, for Utah; L. C. Mersfelder, Oklahoma City, for Oklahoma; Earl Burgett, Great Falls, for Montana; Wayne Clover, Wichita, for Kansas; P. D. Stoughton, Portland, for Oregon; H. R. Buckman, Milwaukee; H. D. Gish, Lincoln, Neb.; W. E. Noble, Omaha, for Nebraska except Lincoln; J. M. England, Dallas, and Clifford Henderson, San Francisco.

Ray Marchand of the Los Angeles agency of the Equitable Life of Iowa, has achieved 400 weeks of One-a-Week Club production.

New President

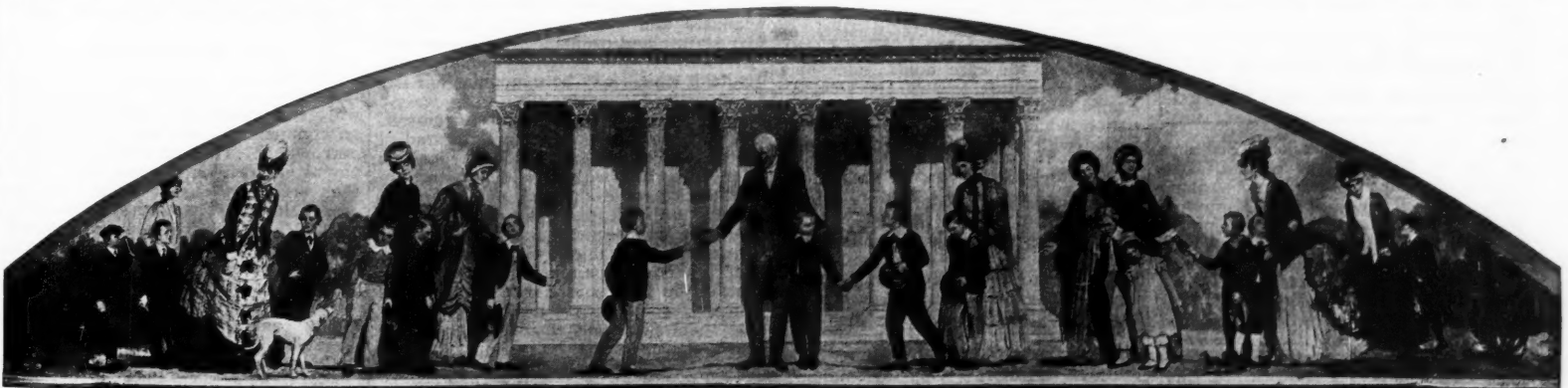


A. L. McCORMACK, St. Louis

A. L. McCormack, who becomes president of the Central States Life of St. Louis, is a well known fire and casualty local agent and is vice-president and general manager of the Charles L. Crane agency of his city. He is a former president of the Missouri Association of Insurance Agents. When the Central States was reorganized he became a director and vice-president.

Burnett Scheduled for Talk

H. T. Burnett, vice-president in charge of agencies Reliance Life, Pittsburgh, will address the Cincinnati Associated Life General Agents & Managers March 4.



Girard, "Altruist and Benefactor"

Stephen Girard

PHILANTHROPIST

Many have reason to cherish the memory of Stephen Girard, for those who benefit by his philanthropy are legion. Schools, churches, charities, individuals—the total bespeaks the great generosity of his nature. During his lifetime he did much to beautify and improve conditions in Philadelphia and throughout Pennsylvania; by his Will he left thousands of dollars to both City and State

to continue that improvement, recommending specifically plans "to promote state waterways," "to provide for the security of the persons and property of the inhabitants of the said city" and "to improve the city property, and the general appearance of the city itself and in effect to diminish the burden of taxation." Never before had a private citizen bequeathed so large a sum for the public need.

GIRARD LIFE

INSURANCE COMPANY OF PHILADELPHIA

Opposite Independence Hall

This advertisement is eleventh of a series

Securities Trends Debated in Chicago

(CONTINUED FROM PAGE 2)

An important conclusion, on examining the record of recent years, is the decided concentration of defaults in southern states, more than half of all local governmental units reported in default Jan. 1, 1936, being in five southern states. Jan. 1, 1936, he said about 20 percent of all levee, irrigation and drainage districts in this country were in default, 10 percent of the counties and 5 percent of incorporated municipalities. School districts have the best record with only 0.66 of 1 percent in default.

Effects of tax limitation laws in certain states are readily apparent. There are, however, many communities which although apparently overburdened with debt were able to come through the depression with unblemished records, while others that apparently were more favorably situated defaulted.

Texas is a fertile field for attractive real estate loans by life companies. J. D. Frank, associate general counsel Lincoln National Life, advised in a talk on "Texas Laws and Decisions Affecting Mortgages on Real Estate." Interest rates on such loans are liberal, much of the state is undeveloped, and there is an almost continuous building program. He outlined statutory and constitutional provisions affecting Texas investments, such as homestead exemptions, common law marriage, corporate appointment of substitute trustees and usury.

The homestead of a family is exempt from ordinary claims of creditors, there being two kinds of homesteads, urban and rural. A person is not permitted to claim exemption for both an urban and rural homestead. A homestead may be mortgaged for only three purposes, purchase price or a part thereof, improvements, provided husband and wife execute the proper written contract therefor prior to furnishing any material or labor, and taxes.

A temporary renting of a homestead

Financial Men Snapped in Mid-Year Rally in Chicago

The A. L. C. Financial Section's meeting in Chicago this week drew a number of company presidents. Among these were T. A. Phillips, Minnesota Mutual, A. L. C. president; Ralph R. Lounsbury, Bankers National and Atlantic Life; E. Lee Trinkle, Shenandoah Life; H. V. Woollen, American United; T. W. Appleby, Ohio National; Claris Adams, Ohio State; Lee J. Dougherty, Guaranty Life of Iowa; E. S. Ashbrook, North American Life, Chicago; Francis L. Brown, president Rockford Life; N. J. Frey, Wisconsin Life; W. T. Grant, Business Men's Assurance; Isaac Miller Hamilton, Federal Life; J. W. Hughes, Guarantee Mutual; Joe D. Morse, Home State Life; W. W. Putney, president Mid-West Life, and John E. Reilly, president Old Line Life, Milwaukee.

H. E. McClain, who has just retired as Indiana insurance commissioner, was present at the meeting introducing his successor, G. H. Newbauer.

R. R. Lounsbury of Montclair, N. J., president of the Bankers National Life when he is in that city, and president of the Atlantic Life when he is in Richmond, Va., was the center of considerable merriment on account of his double-decked position. When he registered he was asked under what flag he expected to fight. He was accompanied by Vice-president R. D. Shepard of the Bankers National.

President T. W. Appleby of the Ohio National Life, who was on the program, was accompanied by Treasurer G. A. Dietler.

Two feminine members of the A. L. C. headquarters staff, Miss Mildred Hammond, assistant secretary, and Miss Lillian Wille, assistant treasurer, had charge of the registration desk.

does not destroy exemption. If property is occupied as a homestead when the loan is made, the loan is void and unenforceable, even in the hands of a new purchaser. A married woman cannot mortgage homestead property for an ordinary loan, but when her husband dies she is free to do so. Failure to exercise care in making loans to married people on real estate which later proves to be homesteaded has cost investors in Texas heavily.

Existence of a common law marriage relationship is of great importance in considering any Texas loan as a man cannot mortgage or sell his homestead without consent of his common law wife.

Common Law Marriage

Another peculiarity is that where a common law marriage impediment exists that is unknown to one of the parties it becomes a valid marriage upon removal. If a man who has a wife enters into common law marriage with another woman who believes he is single, the marriage becomes legal if the first wife dies while he is living with his common law wife.

Most Texas real estate loans are made by executing through the borrower a note or notes secured by deed of trust, which amounts to a mortgage with power of sale. The property is conveyed to the specified individual designated as trustee for benefit of the holder of the note.

Another Wrinkle of Law

It has been the custom for many years for a corporate owner of the note to make appointments through an instrument executed by the corporation's president or vice-president and attested by the secretary, but a recent decision holds the appointment of a substitute trustee must be made by the directors. Thousands of foreclosures have been made through substitute trustees appointed by executive officers and if the decision in the case holds, sales made by the substitute trustee are void, Mr. Frank said. This creates a serious situation which may result in costly litigation with great loss to investors.

Notes Decisions on Usury

Maximum rate of interest allowable in Texas is 10 percent annually. It has been the practice in Texas for loan companies to make loans on real estate and sell them to life companies. The way in which this has been done has been ruled usurious by courts, who held there is no such thing as an innocent purchaser of a usurious note. Under Texas statutes all interest paid is credited on principal when a loan is found usurious. The courts hold a loan is usurious if there is any provision whereby the lender can under any circumstances exact more than 10 percent interest for one year, and it is immaterial that no usurious interest has ever been demanded or collected.

URGES COST STUDY

A more detailed, exhaustive study of costs in investment departments was urged by D. F. Roberts, treasurer of the Acacia Mutual Life, in a talk on "Cost of Operating an Investment Department." Such a study might disclose in an individual company that there is too much diversification of investment; that too great a price is being paid for spread. "Diversification within proper limits is most desirable," he said, "but it can conceivably be carried so far that the net yield from the investment account as a whole will prove unattractive."

Companies' real interest lies in the net earnings after all expenses of operation are deducted, although gross earnings from investments are of importance. Officers, therefore, he said, should do everything in their power to keep expenses down so as to overcome, at least

in part, the effects of lower gross earnings.

"Regardless of what may happen to the money market in the immediate future," he said, "I cannot see how gross interest earnings can even approach the 1929 figure for many years to come. A very substantial portion of our seasoned investments have been and are still being refunded at lower interest rates, and new money invested is bringing a lower rate of return than the average being received from the investment account as a whole."

FHA Competition Encountered

The greatest mortgage loan competition which life companies encounter comes from the Federal Housing Administration, Howard Holderness, vice-president Jefferson Standard Life, declared in a talk on "Competition in the Mortgage Loan Field." This agency in view of returning prosperity should not be continued. There is an abundance of money which life companies and building and loan institutions are willing and desirous of lending at reasonable interest rate and on terms that are economically sound.

Competition from commercial banks has considerably increased, Mr. Holderness said. Difficulty experienced by life companies in maintaining investment yield at an adequate figure has intensified competition between companies. Mr. Holderness said rise in land values and building costs imposes on companies the important decision as to interest rate to charge and percentage of loans to make, and also the responsibility not to extend unwise credit which might cause a recurrence of the real estate difficulties of the past few years.

Railroad Possibilities

There are opportunities for investment in the railroad field but it is no place for the lazy investor, Wendell P. Coler, actuary American United Life, stated in a talk on "Railroad Bonds." At first glance it seems an unattractive field at present, he said, with a history of recent failures and consolidations, restrictions by statute and ordinance. However, the studious investor delights in finding such a field, which may be unpopular but has undervalued opportunities.

The essential factor is earning power. Relative earning power should be studied by all investors. It has been possible for investors with confidence to buy debentures or even stock of some good roads at the depth of the depression, to buy the well secured mortgage bond on nearly as favorable a yield basis as the mortgage bond on a branch of very light traffic, or a debenture. Frequently roads in receivership or trusteeship are in better shape physically than those that have struggled through by skimping maintenance.

Discusses Farms Sales

A. O. Merriam, vice-president in charge of investments of the Franklin Life of Springfield, Ill., read a paper, "Policy with Reference to Sale of Farm Lands." He outlined the handling of farm lands from the standpoints of acquisition, operation and liquidation.

He pointed out that there are four kinds of farms to be considered by life companies—poor ones, difficult to operate without loss; medium, which possibly could be operated at profit even now; good, which may be operated over a period of years at fair return and held with reasonable certainty of ultimate satisfactory income, and better farms, which bring satisfactory returns over a period of years. He said while general real estate conditions have improved and will probably continue to do so, it is perhaps better to accept a good price today than to bank too heavily on the future for a higher one. This is especially true where a company holds several classes of farms, since it may find that one or more classes will be in demand while others can find very few buyers.

Changes are taking place in the social structure which cannot be seen clearly, but might create a far larger number of buyers for poor farms than those of

Low Interest Rate for Some Time Is Expected

Continuance of the low interest rate trend was forecast at the mid-year meeting of the Financial Section of the American Life Convention in Chicago by E. C. Wilkinson, associate manager of the standard supervisory service, Standard Statistics Company, New York. He predicated his findings on the fact that monetary authorities of the government have indicated no change in their position regarding the need for cheap long term money, and on the 14 billions of treasury obligations maturing over the next five years.

Mr. Wilkinson said any long range calculation on balancing the budget is based on a low carrying cost on the government debt. The administration, he said, is firmly committed to a policy of maintaining cheap money, in the belief that continuance of prosperous business conditions depends to a large extent on this factor.

Governmental Trend

"To combat depression, governmental finance and credit policy practically throughout the world has been aimed towards fostering cheap money," Mr. Wilkinson said, "and it will take a long time to reverse this trend to the extent that it will be reflected in a substantial stiffening in long-term rates. The whole credit structure of this country, and of most of the important nations, has been built up so that relatively cheap money is going to be with us for a long time to come."

Mr. Wilkinson said unquestionably the low point in short term interest rates has been passed for this phase of the recovery cycle. Never has so wide a relative spread between short term rates and bond yields existed as in the last few years, and there was no sound justification for the condition. It was due to banks maintaining a degree of liquidity far beyond any logical requirement.

Low Short Term Rate

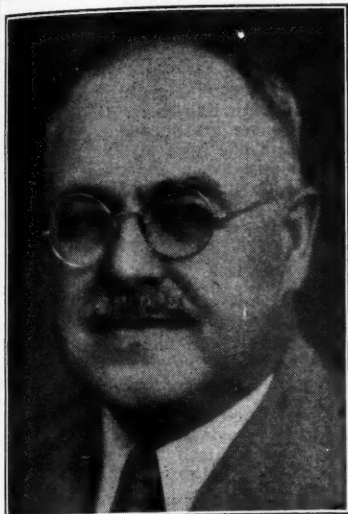
Some further hardening of short term rates may be expected. Banks probably will get a moderately compensating rate on commercial loans and other types of borrowings. They are restricted against paying interest on demand deposits and thus are operating at lower cost than ever before. "They can, and no doubt will," Mr. Wilkinson said, "be agreeable to lending at lower rates and possibly we may never see a return to the old schedule of bank interest charges, such as the time-honored 6 percent rate in many communities, even though the large city banks succeed in advancing their rates above present levels."

No serious dislocation of the bond price structure appears likely to occur. He advised "sitting tight," and said there will be a good bond market for some time to come. He discussed the question whether firming of short term rates would bring a wave of bond liquidation by banks. It is likely, he said, that they will sell first their low yield short paper and short term low yield investments.

He ascribed the reaction in the bond market recently to downward adjustment of short term rates, announcement of increase in bank reserve requirements and the new method of paying for gold imports.

better class, vice versa. It may be easier to sell poor farms at a profit than better farms. Hence it is not always good policy to sell every property that is unprofitable and write off the loss. Sound policy requires that when a loss is taken other properties must be sold at a profit to balance. Mr. Merriam stressed importance of good merchandising of farms. Property should be kept occupied and in running order. While a company's farm department is not necessarily a real estate sales organization, it must be prepared to function as such in disposing of farms if the need arises.

Fraternalists Meet in Chicago



T. H. WALTERS
President, Presidents' Section N. F. C.



S. H. HADLEY
President National Fraternal Congress

T. H. Walters, general manager of the Junior Order United American Mechanics, was prevented by illness from presiding at the meeting of the Presidents' Section and other sections of the National Fraternal Congress during the mid-year meeting in Chicago this week. S. H. Hadley, president of the Protected Home Circle, Sharon, Pa., as president of the N. F. C. took a prominent part in the proceedings.

Fraternalists Hold Section Meetings

(CONTINUED FROM PAGE 3)

Travelers, moved the fraternalists go on record for a social security act covering everybody with a general tax, but a favorable vote was not secured.

Hermann O'Connor, Maccabees, was unable to read his paper on "Recruiting and Training New Field Representatives," in the session of the Fraternal Field Managers Association, so John Stock, also a Maccabee, gave it. The section also elected new officers, R. M. Norrington, president; A. M. Cobrin, vice-president, and F. B. Mallett, secretary. N. J. Williams, vice-president Equitable Reserve, is retiring president.

Mr. O'Connor said recruits can be secured for fraternal work in lodge rooms. There is much potential field material there. He recommended state and district managers on their tours to watch for prospective workers. Another source of recruits is the "bird dog" or part time worker who paves the way for the experienced representative. These men can graduate into full time work and later into managerial activities.

Fraternal Code Suggested

New members offer possibilities. Veteran field workers should try to recruit new workers from young men or women they have written. He recommended advertising in publications for men.

Mr. O'Connor suggested the fraternalists prepare a code, not too restrictive, containing standards of competition and qualification. Fraternalists should adopt a uniform application blank and thorough course of study in ritual, laws and tool kit. He said workers should spend one or more weeks in intensive training before trying to sell, and then should not be sent out alone, but with trained field workers. Too many fraternalists send out new men hit or miss.

Other addresses included "Selling Our Association," Mrs. Shelley Sanderson, Degree of Honor; "What Constitutes Acquisition Costs," N. J. Williams, Equitable Reserve; "Crediting renewal commissions that accrue on business written by representatives no longer with the society," R. M. Norrington, Gleaners Life; "Contracts and Compensation for Field Representatives," F. B. Mallett, Protected Home Circle, and

"Conservation of Old and New Business," W. E. Wright, A. O. U. W. of North Dakota.

G. A. Comstock, Equitable Reserve, opened the secretaries section meeting with a discussion of "Auditing Accounts of Local Secretaries." He outlined experience since societies quit having secretaries bonded by surety companies. The plan has worked well, he said.

S. A. Oscar, National Mutual Benefit, Madison, Wis., told of problems, facing secretaries. He urged that old style fraternal terms, such as "assessment," be eliminated, and said they should be changed in laws affecting fraternalists. The word "assessment," he said, gives the public the idea fraternalists are merely assessment societies and not operating on legal reserve basis.

He urged use of the open contract. There is still a field for mortgage investments, but the bond situation is not good, he said, because of low interest rates.

Other talks were, "Responsibility of an Official for Proper Investment," by Dr. C. M. Roan, Lutheran Brotherhood; "The Field Force," by J. V. Sees, Standard Life of Lawrence, Kan.

Medical Directors Confer

The Medical Section held a round table session, discussing chronic diseases and underwriting sub-standard risks. Dr. W. E. Thornton, medical director Lincoln National Life, spoke. The fraternal practice is to reinsure sub-standard business. Tuberculosis and diabetes were discussed.

Three papers were read at the Actuaries Section meeting, W. M. Curtis, Ben Hur Life, presiding. There was a discussion. The papers, technical in nature, were: "Reflections Concerning Fraternal Insurance," by W. P. Coler, United American Life; "Current Trend of Fraternal Insurance," by J. D. Reeder, Aid Association for Lutherans, and "Mortgage Loan Accounting," by J. E. Little, Maccabees.

Press Section Has Breakfast

A breakfast for the Press Section was held, presided over by R. B. McCain, editor of the Ben Hur Life. Among those who spoke briefly were P. F. Gilroy, Woodmen of the World, Denver; S. H. Hadley, Protected Home Circle, and Dora Alexander Talley, Woodmen

Circle, respectively past president, president and vice-president National Fraternal Congress. James Daly, editor United Commercial Travelers, spoke on "Crusading."

It was suggested the N. F. C. adopt a "national safety day" to encourage the fight against automobile and other accidents, and also that fraternal publications print more accounts of good beneficial work of members, including that done during recent floods. Fraternal publications also can stress social security, as most members do not know the inadequacy of the act's provisions.

Mr. Daly discussed ways the fraternal magazine can be used in pushing a society's aims. He said it often forms the only contact between head office and members. He stressed makeup of a publication, typography and understanding psychology of readers.

Coordination of work and information of state congress is the aim of the State Section of the N. F. C. organized last year. It is a clearing house for ideas and

news of interest to fraternal executives. An essential function of state units is to watch for inimical legislation and other moves against societies. There are 27 functioning state congresses.

George Bauman, Trenton, N. J., is president of the State section. He discussed what is expected of the state groups. Judge J. C. Karel, past president N. F. C.; Richard Bengin and Pearl Bowers also spoke.

S. T. Whatley, vice-president Aetna Life, and Mrs. Whatley, who are on a vacation, spent the past two weeks in San Antonio and then went to Mexico City, where they will be another week. He will then be in El Paso, Tex., for a week, after which he will visit agencies on the Pacific Coast. While in San Antonio, Mr. and Mrs. Whatley were the guests of Elmer Abbey, San Antonio general agent, and made a fishing trip to a point below Del Rio on the Mexico side.



Pilot Life Completes Most Successful Year In History

- Increase of insurance in force was largest in any one year period.
- Volume of paid business attained a new all-time high.
- Policy owners increased by the largest figure ever.
- Assets and surplus were substantially increased.
- Interest rate on mean invested assets showed marked increase.

\$115,851,076 of protection owned by 156,411 policy owners.

PILOT LIFE INSURANCE CO.

Greensboro, North Carolina

Emry C. Green, President

HAND IN HAND

Quality of business is a measure of the success of an underwriter, an agency or a company.

Fidelity enjoyed a further increase in the persistency of its business in 1936. The first year lapse rate was 17.0%.

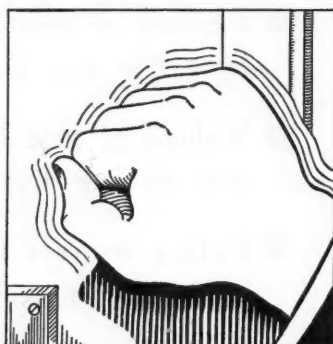
Among its larger agencies, one had a perfect score and eleven others had a lapse rate of less than 5%.

The ten agents leading the field in production had a first year lapse rate of but 11% for the \$12,000,000 of business produced during the past five years of the depression.

Quantity and quality go hand in hand.

**The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA**
WALTER LEMAR TALBOT, *President*

**"KNOCK --
KNOCK"**



**Opportunity Is Knocking!
It Is Pounding On the Doors of
Men Who Are Willing to Pay
the Price of Success**

Bankers National Life Insurance Company, the Company that reached 75 millions in 8 years, offers the opportunity of a lifetime to good men who want to be successful general agents.

Big success carries a corresponding price tag. The price is work, initiative, vision, perseverance.

If you feel there is no further opportunity for growth in your present connection; if you have a record of \$100,000 of paid-for personal production in 1935; if you have family responsibilities and a residence in either Pennsylvania, New Jersey, Ohio, Rhode Island, Maryland or Delaware, you are one of the men we want to talk to at once.

Address

William J. Sieger

Vice President & Superintendent of Agencies

Bankers National Life Insurance Company
Montclair New Jersey

A. L. C. "FIRST CITIZEN" ADJOURNS

(CONTINUED FROM PAGE 1)

mentals and he worked out a philosophy that was comforting to him.

Mr. Reynolds participated in an episode at the annual meeting of the American Life Convention in 1933 at the Edgewater Beach Hotel, Chicago, that all who attended vividly recall. He was on the program as a set speaker on the subject "Evolution of the Life Insurance Contract." At this particular time very few companies knew what their future would be. Everything was dark and depressing. There were chaos, uncertainty and doubt everywhere. On some special occasions there seems to be a divine hand touching the spirit of a speaker. What he says is truly oracular. He seems inspired from on high.

Leaning over the speaker's desk before he started reading his formal address, Mr. Reynolds with a voice sympathetic, mellow and feeling referred to the travail of the present and the responsibility that rested on executives. He said these were hard, bitter and sad days. However, he said that there are compensations that come as a reward from trying and tragic conditions. There have been evidences he said that jewels have been gathered from the dust in dark mines. Great things, he remarked, have come from discouraging experiences and despondency.

Illustrations That Were Impressive

He used a few illustrations. Unless John Bunyan had personally traveled the path of gloom and been sorely tried the world would not have had his "Pilgrim's Progress." Unless Cardinal Newman had been subjected to the bitterest kind of stress and trial the world at large would not have received that most comforting of all great hymns, "Lead Kindly Light." Mr. Reynolds paused to recite two or three verses of this hymn. He said he had found "Lead Kindly Light" a marvelous inspiration. Unless King David had been subject to experiences that almost crushed his faith there never would have been the wonderful Twenty-third Psalm, which is a most beautiful and exquisite flower in the vast world of literature.

Mr. Reynolds added that examples of this kind act as beacon lights during a dark night to lead a storm tossed sailor to a safe harbor.

As he took up his manuscript to read, the audience arose as one, silent in fraternal response to the noble and encouraging sentiment that had been expressed. Applause would have been inappropriate. It would have been as inappropriate as applause following a eulogy over a departed friend. Every heart was touched by these thoughts brought to life by a master. Executives discouraged, disheartened, almost crushed, found new hope, encouragement and determination in this extemporaneous talk. It was an occasion that comes only once in a lifetime. Undoubtedly many went forth from that meeting and saw amid the gloom the "kindly light" to which Mr. Reynolds so beautifully referred.

Mr. Reynolds' Early Work With the Organization

Mr. Reynolds, like others who had come into office following the Armstrong investigation and reorganization of new companies, realized that competition was severe, that presidents were not acquainted with one another, that the ethics were not observed, that there was much meanness and selfishness displayed. Therefore he, with others, realized that an organization should bring together conscientious men who appreciated their responsibilities. This led to the memorable meeting in the Great Northern Hotel at Chicago when he was chosen president of the American Life Convention.

I recall very vividly that he and Mr. Hamilton talked to newspaper men about the new association, predicted its

future and some of its possibilities. We were called in to get the story. It was something of a coincidence that 10 years previously in the same hotel, the National Association of Insurance Agents had its beginning there. The American Life Convention outside of the Kansas City Life had been Mr. Reynolds' most prized possession. A few years ago on one of its anniversaries there were three of the founding fathers present, Sidney A. Foster, who had been secretary of the Royal Union Mutual Life of Des Moines, Mr. Hamilton and Mr. Reynolds. They gave reminiscences of the early days of the organization.

It was an unwritten law that Mr. Reynolds would make the motion to adjourn at the final session of the annual meeting and in connection with this ceremonial he always indulged in some observations, kindly words regarding the retiring president, paid a tribute to the organization itself and left an inspiring message with those who listened.

Was Actuary of the Missouri Department

It always seemed remarkable to me that Mr. Reynolds accomplished so much as the head of his company inasmuch as his previous experience had not particularly prepared him for high administrative duties. He was born March 22, 1871, in Saline county, Ill. When he was 16 years old Mr. Reynolds left the farm, attended state normal at Carbondale, Ill., a year, and got a job in Butler County, Mo., teaching a rural school at \$30 a month. After two years he became interested in politics, and was named deputy county clerk. In 1891 Mr. Reynolds went to the legislature as clerk to A. P. Lyle, representative from Butler county. Noting the prosperous clothes of life insurance agents who visited Poplar Bluff, he became agent for a company in 1894 in that section.

Started to Work in the Missouri Department

In 1896 Mr. Reynolds campaigned for L. V. Stephens, who was elected governor of Missouri, and in 1897 he went to Jefferson City as a clerk in the actuarial end of Missouri insurance department. Here he was intimately associated with Major A. F. Harvey, Kirkswood, Mo., who was actuary. In later years Mr. Reynolds frequently paid tribute to Major Harvey, from whom he learned the laws governing sound life insurance. With Mr. Harvey he examined some of the largest companies. Major Harvey, who was one of the most eminent actuarial experts in the middle west, died in 1900. Mr. Reynolds had, however, been named state actuary in 1898.

One of Mr. Reynolds' friends during his career as actuary at the state capital was Ed Yates, Kansas City attorney who represented one of the stockholders of the Kansas City Life. In 1904, E. Rumble, secretary and general manager, died, and Mr. Yates was instrumental in getting Mr. Reynolds to come in as president. At the same time Fred W. Fleming became secretary.

Company Started as an Assessment Institution

The Kansas City Life had started as an assessment company known as the Bankers Life. It operated on that basis until June, 1899, when it was reincorporated under the stipulated premium law. In 1900 its name was changed to the present one and in June, 1903, it was reorganized as a legal reserve company. Therefore when Mr. Reynolds took charge it was a struggling institution and very small. For instance, at the end of 1903 it had \$212,500 assets, \$114,741 capital and surplus and \$2,150 insurance in force. Mr. Reynolds applied himself assiduously to the building up of this company. He was conscientious, careful and economical.

wanted every dollar to count. He saw the necessity of building on a very substantial deep rooted foundation. Mr. Reynolds proved one of the most successful life insurance presidents in the central west. His company has always given a good account of itself, it has never been a plunger, and because of the intelligence and sagacity used in its upbuilding it has never become top-heavy.

Kept His Hand on the Company's Pulse

Mr. Reynolds kept his hand on the pulse of his organization although he was not given in later years to looking after details. He relied very much on his lieutenants. For instance, F. W. McAllister, general counsel, was very close to him and Secretary C. N. Sears was a kind of "chief justice" about the office. Assistant Secretary W. E. Bixby married the Reynolds' daughter. Mr. Reynolds had confidence in his son-in-law's judgment and in later years he took President W. T. Grant of the Business Men's Assurance into his charmed circle. This was especially true after Mr. Spears' son, who is head of the claim department of the Kansas City Life, married the Grants' daughter. Again it might be said that Mr. Reynolds had supreme confidence in the balance and poise of his wife. Undoubtedly she was the guiding star of his destiny in a great many respects.

Mr. Reynolds never lost his touch with the production end of the business. He did not believe in calling a general conference of general agents. He had each one come in and talk to him separately. He was well versed in all that each general agent was doing and when a manager asked something that Mr. Reynolds felt was unwise he would tell him so frankly and suggest an alternative. Mr. Reynolds' birthday anniversary would have occurred March 22 next. General agents had made all arrangements to celebrate March as "Reynolds' Month." In fact, they had all their applications and supplies ready. Some of them were slated to go down to Kansas City this week for final consultation.

Some of the Outside Interests of Mr. Reynolds

In his leisure, Mr. Reynolds devoted his time to trotting horses, travel, bird hunting, and to the Baptist church. For the latter he had an enduring loyalty, evidenced by his gift of \$100,000 in 1927 to William Jewell College, Liberty, Mo., a Baptist school. He was devoted to the Bible, and "took it from cover to cover, as is." With his gift to the college he stipulated that the fund be used to aid ministerial students who believed in the fundamentalist view of the scriptures. Mr. Reynolds' interest in the Salvation Army was another hobby, and he was president of the board when he died.

His interest in horses was reflected in the small bronze replicas he had cast for use as personal souvenirs. One such was a miniature of "Kinney Direct," his gelding pacer that set a world record of 1 minute and 59 seconds flat for a mile race. He had others: "Jim B," "Hollyway," and "Col. Tom." Reynolds always confined his activity to harness horses. He liked to have them hitched to wheels.

He spent many a happy hour hunting quail or duck, and often went quail shooting with a favorite pointer on his farm near Poplar Bluff. A national sporting magazine a year or so ago carried a story of one of Mr. Reynolds' favorite dogs, the devotion of the animal through several years of ownership by Mr. Reynolds. Upon the dog's death, it was buried in a hunting coat of Mr. Reynolds.

Mr. Reynolds always closed the last session of the annual meeting of the American Life Convention. He did so at Dallas the afternoon of Oct. 16 last. That was the executive session. Mr. Reynolds commented on a motion to

Famous Western Leader in Life Insurance Dead



JOSEPH B. REYNOLDS
President Kansas City Life

J. B. Reynolds, president of the Kansas City Life, caught a cold the middle of last week, which was not regarded as serious. It developed into pneumonia and Mr. Reynolds died suddenly at his hotel early Tuesday morning. In recent years he had become more feeble owing to a paralysis of his forearm. The past presidents, officers and members of the executive committee of the American Life Convention were delegated by the executive office as delegates to the funeral. A number of these attended.

Mr. Reynolds is survived by Mrs. Reynolds and a daughter, Mrs. W. E. Bixby, whose husband is assistant secretary of the Kansas City Life.

Mr. Reynolds died at 2 a. m., Feb. 23, at his home in the Bellerive Hotel. He would have been 66 years old March 22, had been ill for a week and pneumonia developed complications. At his bedside when he died were Mrs. Reynolds; Mrs. W. E. Bixby, his daughter, and Mr. Bixby, assistant secretary of the company, his son-in-law. Funeral arrangements have been made for Friday morning at the Calvary Baptist Branch Church. Following services the body will be cremated. The company had been making arrangements to celebrate Mr. Reynolds' sixty-sixth birthday anniversary March 22. It is interesting to note that Mr. Reynolds became president of the company when he was 33. That was on Aug. 1, 1904. At that time the company, which was formed in 1895, had \$2,155,100 of business in force and assets of \$355,000. Business in force at the end of 1936 was \$435,700,000, and assets totaled \$101,600,000.

The company had no agency organization to speak of. In the nine preceding years it had made little progress. Today its employees number 370 persons in its splendid \$1,350,000 home offices at Armour and Broadway, and it has over 2,000 agents in more than 40 states.

The American Life Convention was one of the most ambitious results of Mr. Reynolds' firm belief in cooperation. The same personal characteristic was evidenced in his home town, where the chief life companies always have worked on a basis of mutual friendliness and good will.

change the time of this executive session from the last afternoon to the second day or second evening of the convention so that there would be more opportunity for discussion and people would not have rushed away. In his closing talk at Dallas Mr. Reynolds said in part, "There has been no move by the American Life Convention that has been beneficial to the upbuilding of the organization but what originated in meetings just of this type. I came to

this meeting in the hope that I might hear something in the way of a free and open discussion on some problems, one of them the old age pension and the other, the social security act. I am not so much interested in some long academic discourse as I am in what you are doing in your home offices and how you are proposing to meet the problems that are going to confront you when these laws become operative.

"Politics never hurt the American Life Convention and never will. The men who compose this organization have too much common horse sense to allow politics to over ride their better business judgment. You want to discuss politics. You know politics makes government and the government is in business. If we are going to discuss business we are going to discuss government some and maybe politics some, but it never hurt me to hear a man say something that I didn't agree with politically or in a business way either. That is the way we accomplish things.

"The American Life Convention and its executives could, I believe, come to some understanding or at least a better understanding with its own people and with the National Association of Life Underwriters on the part time man. That is another question that I think we can discuss without hurting anybody's feelings. I glory in the thought

that we are going to have an opportunity next year to have an old-fashioned meeting just like this. We can talk religion and I can tell my brother that I don't think sprinkling is baptism and that 5 o'clock mass is just as good as 11.

"I have already talked too much this afternoon. In appreciation of the recognition to the chair, and he said it was a force of habit or tradition, I thank him for the recognition, and likewise you gentlemen of the convention. Though it is with some regret, I now move that the convention adjourn."

Nebraska Law Is Challenged

LINCOLN, NEB., Feb. 25.—The constitutionality of the law long in force in the state levying a 2 percent tax on gross premiums collected on Nebraska business by life companies was challenged in supreme court by the General American Life. It charges that the law is unconstitutional because it permits the taking of property without due process of law in that it bases the right to do business in any one year on the payment of a gross premium tax on the previous year's business, and that it is discriminatory because domestic companies are taxed only four mills, less reinsurance and dividends paid.

Business
is
Good!

**THE MIDLAND MUTUAL
LIFE INSURANCE CO.**

Columbus, Ohio

CHARTERED 1905

EDITORIAL COMMENT

The Personality of J. B. Reynolds

THE name "American Life Convention," an organization of company officials that started with an original conference in Chicago, Dec. 5, 1906, has never been descriptive of what the association is and does. In the beginning probably not enough time was given to consideration of a proper name. A few years ago a movement was started to change the name to the "American Life Insurance Association" or some other designation that would fit it more exactly. However, this effort was dispelled due to the fact that the original name and the history of the organization under that flag carried rich sentiment for J. B. REYNOLDS, president of the KANSAS CITY LIFE, who was one of the founders and served it twice as president.

This retreat was not made because Mr. REYNOLDS in an autocratic manner opposed the change. The reverence and respect that all the members had for him overbalanced any desire to alter the name during his lifetime. It simply showed the remarkable esteem in which he was held. Mr. REYNOLDS died this week and undoubtedly the name of the organization will be changed, perhaps at the next annual meeting. This event is mentioned to show the influence that Mr. REYNOLDS had on the organization. It was always wholesome and showed the affection that everyone had for him. He was the "first citizen" of the AMERICAN LIFE CONVENTION without doubt.

Mr. REYNOLDS became president of the KANSAS CITY LIFE the year before the A. L. C. started. He soon saw that his own struggling company would not have a chance to become permanent unless many wasteful practices were eliminated, cooperation secured and a greater vision be given to those responsible for company management. His vision was clear in 1904 and 1905 and it always has been. He saw the necessity of having an organization whereby a few of the medium sized and smaller companies could have a forum, gather together and stand for those practices which would build them up in a strong way. These newer companies were on trial.

The AMERICAN LIFE CONVENTION was brought into being largely to defend preliminary term valuation. President REYNOLDS had been actuary of the Missouri insurance department. He became the militant force in the new organization in

championing this basis. This undoubtedly was one of the most notable achievements in Mr. REYNOLDS' active career.

Mr. REYNOLDS, in a high minded way, realized that in the operation of a company there must be a real sense of responsibility and that in every organization there should be a welding of interests so that harmony could prevail. He realized what should be done by these younger companies. He appreciated that there were certain fundamental economic and business principles which must guide an institution. He wanted to see the KANSAS CITY LIFE grow along healthy, vigorous and yet conservative lines. He desired every other company to move in a similar direction. The growth of Mr. REYNOLDS' company was not due to any guess work but it has travelled along step by step with its course definitely charted. It was never Mr. REYNOLDS' policy to adhere to certain rules merely because they were customary. He must have absolute assurance and well founded confidence in them. In many respects Mr. REYNOLDS was a master workman. He believed in sound principles of life underwriting and management. He knew that no company could survive unless it were conservatively and intelligently managed. The changes that he advocated were always progressive and have been proved right by the test of time.

Mr. REYNOLDS was a man of very profound feeling and sentiment. He was sincerely interested in people, in the folks with whom he was associated in his own organization, in the AMERICAN LIFE CONVENTION, in the Missouri companies and friends elsewhere. Sometime ago he voiced an expression that shows in compact form the spirit that animated this remarkable man. He said:

"I prize more highly the personal friendship of my associates in business than I do any other feature of the business. If I had the choice of laying down everything of material or worldly possession that I have, or forfeiting the friendship of my associates, I would say that let me be confined to that everlasting flame, but let me keep the friendship of my associates in business."

Mr. REYNOLDS was more than a mere business builder. He was an architect and a builder, not of the bizarre or unusual type but a creator of the substantial and the lasting.

Effect of Agency Expansion

VICE-PRESIDENT ARTHUR COBURN of the SOUTHWESTERN LIFE of Dallas, Tex., in his address before the NORTHWEST TEXAS ASSOCIATION OF LIFE UNDERWRITERS sales congress brought out a vital point that

needs to be carefully studied by company executives. Mr. COBURN realizes the great turnover in the field personnel and the heavy lapse ratio especially on first year business.

In the development of his talk he took the ground that there has been too much expansion of agency plants until over-organization and stimulation have brought into the field a vast number of salesmen. This has tended to reduce the income of the really efficient and intelligent workers. Their earning capacity has been affected.

The ideal way, of course, would be to allot to each company in every community the number of salesmen to which it is reasonably and logically entitled. Every company and general agent tries to increase

the sales force. That results naturally in many new people being brought into the business. It undoubtedly has had a harmful effect in that it has brought into the sales arena too many people who are unqualified and therefore those that should profit from skillful, masterful effort have suffered. Quality of business demands quality of selling.

Mr. COBURN as a devout and intelligent student of the business has given a contribution worth while, it is full of meat and deserves most careful and prayerful consideration.

PERSONAL SIDE OF BUSINESS

G. H. Campbell, of Little Rock, general agent for the Aetna Life in Arkansas and Louisiana, is on a two weeks' cruise to Guatemala City and other Central American points. He sailed Feb. 16 from New Orleans, accompanied by Mrs. Campbell, and is expected to return about March 1.

A. Finberg of the Great-West Life in St. Paul was the leading personal producer in 1936 and on the strength of this record becomes president of President's Club and leader of its quarter million dollar section. R. P. Innes of Detroit is vice-president of the United States region of the club.

R. A. Patten of Winston-Salem, North Carolina manager of the Mutual Benefit Health & Accident and United Benefit Life, is the proud father of a new daughter, Patricia.

F. M. Hope, vice-president and actuary Occidental Life of California, and Mrs. Hope are enjoying a combined business and pleasure trip through the Orient. Their first stop was at Shanghai, where they visited General Agent P. M. Anderson. The company has just been licensed in Manila and Mr. Hope will make arrangements for the establishment of a sales organization. They will stop at Hawaii on the return trip to visit the company's representatives, the Security Insurance Agency.

Huber Stringfield, 63, general agent Ohio National Life at Evansville, Ind., died from pneumonia. He was sick but a short time.

H. A. Glasgow, vice-president of the Continental Casualty-Continental Assurance branch office in the Insurance Exchange, Chicago, and E. L. Grant, manager of the life department in the branch, with their wives and another couple are on a long jaunt which will take them into old Mexico and will involve some amateur archaeological poking around by Mr. Glasgow. They left by motor for Miami where they will leave their cars, taking boat to Vera Cruz. They expect to spend about two weeks in Mexico, then return by boat to Miami to get in some golf before returning early in April. Messrs. Glasgow and Grant annually take their vacation together. Last year Mr. Glasgow secured permission to browse around in a new Mayan digging in Guatemala.

President W. H. Cox of the Union Central Life has been appointed chair-

man of the advisory committee of the Disaster Loan Corporation, \$20,000,000 subsidiary of the RFC, to provide loans on easy terms to home owners and small business men who suffered losses in the Ohio and Mississippi valley floods, for Cincinnati and Hamilton county.

Loans will be arranged on the most liberal credit terms, at a 3 percent interest rate. Although the actual loans will be made by the local offices of the RFC, and funds and notes will be held by the Cincinnati branch of the Cleveland Federal Reserve Bank, the advisory committee under Mr. Cox will direct the lending of the money.

J. E. Pierson, 75, assistant treasurer Berkshire Life for the last 13 years, died in Pittsfield, Mass., after a two month's illness. He was active in the Old Berkshire Historical Society and wrote a number of historical papers. For seven years before joining the Berkshire Life in 1898 he conducted a private school for boys in Pittsfield. He was graduated from Williams College in 1883, where he later was an instructor in Greek.

Mrs. Mary A. Cavanaugh, 88, mother of L. D. Cavanaugh, executive vice-president of the Federal Life, died Sunday at her home in Hartford, Wis.

Philip Dern of Salt Lake City, father of Vice-president A. L. Dern of the Lincoln National Life, died at his home in Utah.

O. N. Young, Lima, O., manager of the Ohio State Life, suffered a slight stroke but is improving.

A large bronze plaque was unveiled in the lobby of the Union Central home office building at Cincinnati in memory to Jesse R. Clark, fifth president, 1900-1921, as a part of the ceremonies attendant to its 70th year. The erection of the 28-story office building was one of his proudest achievements. The plaque is from the hand of the late C. Barnhorn, Cincinnati sculptor, and is believed to be his last work, the wax impression being found among the effects after his death, and the plaque was struck from the mold.

Albert and Elmer Ruehlmann, 13 and 11, respectively, sons of Vice-President J. F. Ruehlmann of the Western & Southern Life, rescued a 6-year old girl who she lost her balance on the Ohio River.

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bank and fell into the water. The boys were visiting their grandparents. Albert was the first to reach the scene when he heard the child's screams, plunging into the water and catching the girl about 50 feet from the bank, but he did not have the strength to bring her to the shore. Elmer swam out to him, the two succeeding in bringing the girl in safely to the bank. Both boys are expert swimmers.

V. T. Motschenbacher, manager of the Sun Life of Canada at San Francisco, has returned to his headquarters following a visit to the home offices in Montreal. He was accompanied by J. G. Storrs, manager at Sacramento, Cal. Mr. Storrs visited his son, Bruce, who is a student at Magill University, and also stopped in Utica where he spent some time with his father. Mr. Motschenbacher, chairman of the San Francisco General Agents & Managers Association and vice-president of the Life Underwriters Association, spoke to the Sun Life agency in Detroit on his return trip.

Charles L. Preston, 44, president of the George Washington Life, died in a New York hospital following an operation. Mr. Preston was an investment banker and he acquired an interest in the George Washington Life in 1933. He was made president and has been active in its management since that time. Mr. Preston maintained offices in both New York and Charleston.

M. J. Cleary, president of the Northwestern Mutual Life, has been reelected a director of the Milwaukee Association of Commerce. Mr. Cleary has served several terms as vice-president but declined reelection or the presidency because of pressure of business.

H. M. Saugman, Racine, Wis., district manager for the Mutual Life of New York, has filed notice that he will be a candidate for mayor at the spring election.

Dan W. Flickinger, president of the Indianapolis Association of Life Underwriters, is giving an informal reception Thursday evening of this week at his home to the recently appointed insurance commissioner, George H. Newbauer. John D. Cramer, deputy commissioner, will also be a guest.

G. W. Leslie, 90, who completed 40 years in the secretarial department of the National Life of Vermont upon his retirement in 1931, died in Montpelier. He was for several years secretary of the Farmers Mutual of Vermont.

B. G. March, 71, former general agent Penn Mutual at Portland, Me., and with the company since 1895, died there. As a young man he was with the Western Union Telegraph Company and joined the Penn Mutual as a special agent. He later became general agent in association with his father, the late C. M. March, and resigned five years ago to devote his attention to personal production.

Dr. C. E. Schilling, vice-president and medical director of the Ohio State Life, was the guest of the Pittsburgh agency at a dinner concluding a campaign in his honor directed by Manager A. E. D'Emilio. A sheaf of applications was presented to Dr. Schilling at the dinner. W. V. Woollen, superintendent of agencies, was a guest.

The Detroit College of Law, at its mid-year commencement exercises conferred upon Henry C. Walters, insurance attorney of many years' experience at

Detroit Manager Leads Dominion Life Field Men



FRANK W. SIMPSON

The entire agency force of the Dominion Life was led in new paid business in 1936 by Frank W. Simpson, Detroit manager.

the Detroit bar, the honorary degree of doctor of jurisprudence. The chancellor stated that the honor was conferred in recognition of excellence in professional attainments and because Mr. Walters exemplified in the highest degree the ethical practice of the law. Mr. Walters delivered the commencement address.

Arkansas High Court Holds Company Is Bound by Agent

The Arkansas supreme court holds that Sadie Evans should have judgment against the Union Life of Little Rock for \$400 on two policies issued to Cal Frazier of Pine Bluff, she being named the beneficiary. The company contested on the ground that the policyholder had stated his age at 55 when, in fact, he was more than 75 years. The policyholder was a Negro and could neither read nor write. Evidence showed that he told the agent that he did not know his age. The agent wrote two applications for \$200 each, at dates near each other, and entered his age as 55.

The supreme court holds that no fraud or collusion was shown on part of the assured and if any mistake was made it was that of the agent, by whose acts the company is bound.

Drops Group Conversion Efforts

ST. PAUL, Feb. 25.—Mortality has been so high on converted group and wholesale policies that the Minnesota Mutual Life is advising its field force that it would prefer that no effort be made to bring about conversion.

No commissions are being paid on group or wholesale conversions for the reason that "experience on such cases proves that there is a very decided selection against the company."

"If in these cases the company is given an opportunity to underwrite the business and the policy is issued pursuant to a regularly completed application accompanied by evidence of insurability, then credit will be given and commissions paid," the statement adds.

Capitol Life Drive

The Capitol Life of Denver will honor President C. J. Daly in March with a special production campaign. The drive will be tied in with qualification for the National Association of Life Underwriters convention in August. Stewart Sanford of the company staff in Denver has already qualified.

A typical experience record which illustrates how the "Golden Rule Contract" boosts an agent's earnings in a given territory.

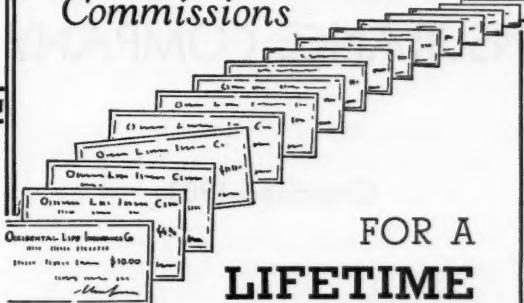


A NEW OUTLOOK

in his home territory—a county of 40,000—this man saw a new opportunity for greater income. Last year he earned future renewals on \$325,000 of business produced by men he appointed under a contract like his own and received a cash bonus of \$775 on their efforts. This was in addition to first year commissions and fifteen vested renewals on his own substantial personal production. And it was all because he saw the possibilities the "Golden Rule Contract" affords all agents.

The COLUMBUS Mutual Life
INSURANCE COMPANY
Columbus, Ohio

RENEWAL Commissions



A new thrill awaits you each time you close a case under Occidental's new "lifetime renewal" contract. It's the added satisfaction of knowing you are making a permanent addition to your income.

Ability to earn under this new contract is limited only by your ability to write business that stays on the books. If it stays and pays, it pays best with Occidental Life.

OCCIDENTAL LIFE
INSURANCE COMPANY (of California)

V. H. JENKINS
Vice-President

HOME OFFICE
Los Angeles

LIFE UNDERWRITER WANTED

Must have previous experience in underwriting department of company and capable in the selection of desirable risks. Age 25 to 40. Small progressive mid-western company offers opportunity in its home office to man who qualifies. Replies confidential.

ADDRESS F-24, NATIONAL UNDERWRITER

Reputation

Means a lot to us. We are proud to be known throughout the West as the "fair practice" company. It is our constant endeavor to strengthen this reputation by -

- Declining to talk with any life insurance agent about a connection except after reference to his company's Home Office or Manager.
- Never accepting applications which involve twisting.
- Refusing to lower our standards to get business when in competition.
- Aiding the Institution of Life Insurance by swelling our ranks with NEW and GOOD men from outside the business rather than direct our Recruiting effort toward the Agents and Managers of other life insurance companies.

**California
Western
States
Life
Insurance Company**

HOME OFFICE,
SACRAMENTO

O. J. LACY
PRESIDENT

THE VOLUNTEER STATE LIFE INSURANCE COMPANY

Organized 1903

A complete line of low net cost policies

Liberal contracts direct with the
Home Office

THE VOLUNTEER STATE LIFE INSURANCE COMPANY

Richard H. Kimball, President

Chattanooga, Tennessee

NEWS OF THE COMPANIES

Promotions by Union Central

Several Executives at Home Office of Cincinnati Company Are Given Higher Ranking

Several home office promotions have been made by the Union Central Life. J. C. Hatfield is elected a vice-president. He has been with the company many years, rising from a clerkship. Formerly auditor, he was made assistant vice-president in charge of farm sales a year ago.

J. G. Quick was elected comptroller to succeed the late H. C. Thompson. He went to the Union Central with Mr. Thompson last April from Stagg, Mather & Hough, insurance accountants of New York. Since Mr. Thompson's death he has been acting comptroller. Carl De Buck, formerly with Stagg, Mather & Hough, succeeds him as assistant comptroller.

C. F. Helle, supervisor of applications, becomes assistant secretary. He has been with the Union Central since he left high school in 1915, starting as an office boy.

H. J. Shaffer and H. P. Winter, district supervisors, were elected assistant superintendents of agencies. Mr. Shaffer, who spent nine years in the field, was manager at Akron, O., for three years just before going to the home office a year ago. As a personal producer he was a member of the \$500,000 Club. Mr. Winter went to the home office last spring from Davenport, Ia., where he had spent seven years as manager of the Union Central's branch office.

V. D. Parish, a member of the legal department, was elected associate counsel. He was educated at Ohio State University and the University of Michigan, where among other scholastic honors he was selected for the Order of the Coif, highest honor available for law students.

L. G. Gatch, Cincinnati attorney, was elected a director to succeed his father, the late L. N. Gatch.

Deals with Smaller Incomes

Union Life of Chicago Issues Its Life Insurance Policies on a Non-Medical Basis

The Union Life of Chicago is a comparative newcomer in the field of low monthly payment non-medical life, accident and health insurance. The company was incorporated in July, 1935, and has been operating since then. It reinsured the business of the Union Mutual Benefit Association and the Beacon Mutual Benefit Association.

Officers are J. J. Miller, president and treasurer; F. A. McCarthy, former state legislator and attorney, vice-president; H. L. Houseman, secretary; and A. J. Utter, accountant, and G. L. Fritz, automobile business, directors. T. H. Fuller is director of agencies.

The head office is located at 6 North Clark St., Chicago, and shares space with the Pure Protection Association and the law offices of F. J. Sullivan, L. P. Smith and E. H. Nelson.

It operates through general agents and producers, and reinsures its business with large life companies. The company is an assessment life organization under the 1927 assessment act and writes white male and female risks. It requires no medical examination unless the reinsurance company demands it, but it rates up risks that offer extra hazards in the same way as other carriers, issuing a smaller unit of insurance.

The company has \$2,600,000 in force. Its chief assured are among wage earners and small salaried people. The company is licensed only in Illinois.

Assets Increase Sets Record

Equitable Life of New York Brings Total Up to More Than Two Billion Dollars on Feb. 1

At the annual meeting of the Equitable Life of New York, President Parkinson presented the 77th annual statement. The statement shows assets, \$1,984,449,584, increase \$168,278,628, the largest increase for any year in the history of the company. The amount set aside for dividends to policyholders in 1937 is \$30,706,780. Surplus is \$78,083,436. Payments to policyholders were \$181,678,305, of which \$67,835,108 represented death claim payments. For the five-year period ended Dec. 31, covering the most severe years of the depression, the aggregate paid to policyholders was a little over a billion.

Premiums totaled \$295,841,081. The total income was \$421,720,539, increase \$9,340,220. The new insurance was \$456,240,864. Insurance in force is \$6,411,462,887, increase \$185,176,302. The mortality rate represents a slight improvement over 1935.

Commenting on the increase in assets, President Parkinson announced that continued increase in January brought the total assets as of Feb. 1 to two billion. While it took 69 years to reach the one billion mark in assets, only eight additional years were required to pass two billion.

Last year marked the 25th anniversary of the introduction of group life insurance by the Equitable, in commemoration of which new group insurance was written which brought the total group in force to \$1,717,658,306.

Assets of Reliance Life Go Over 100 Million Mark

The Reliance Life announces that its resources now exceed \$100,000,000. The company began May 4, 1903, with an original investment of \$2,000,000. It never has bought nor consolidated with another company. Continued growth of Reliance resources, in five year periods, is shown in the following: 1906, \$2,270,877; 1911, \$3,376,894; 1916, \$6,622,130; 1921, \$17,949,621; 1926, \$41,977,993; 1931, \$74,593,248; 1936, \$99,952,606. The \$100,000,000 mark was passed in January.

Its new life business last year was \$43,896,984, \$5,988,800 of accident insurance and \$17,682 of weekly indemnity health insurance. Insurance in force totals \$420,400,780 life, \$75,631,321 accident and \$125,142 weekly indemnity health. Assets show \$20,236,102 in federal government funds, Federal Farm Mortgage Corporation and HOLC securities, \$48,938,512 in other bonds, and \$19,053,508 in policy loans and \$1,110,040 in cash. Contingency reserve of \$1,144,827, capital of \$1,000,000 and net surplus of \$3,607,753 are shown. It paid \$8,789,895 to policyholders. Of this amount, \$5,628,592 went to living policyholders.

The total income was \$21,458,846, of which \$15,592,085 came from premiums. The excess of income was \$8,056,932.

Protective Leader Writes Over Million in 19 Months

BIRMINGHAM, ALA., Feb. 25.—More than \$1,000,000 of life insurance has been written by R. M. Goodall, Jr., of Birmingham, since he became an agent of the Protective Life in July, 1935.

Mr. Goodall won first honors in the December contest and has already qualified for the annual convention trip which this year will be in Quebec, Canada, on June 30. Several other agents have already qualified, including Lloyd Johnson, Tuscaloosa, the company's

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biggest producer for the past five years. H. J. Baum, Birmingham; A. C. Heyward and Mrs. Heyward, Columbia, S. C., and P. W. Williams, Hartselle, Ala.

Cancel Bean Concern Charters

MINNEAPOLIS, Feb. 25.—In another step winding up the affairs of the M. E. Bean carriers, Judge Day has ordered canceled the corporate charters of the Fidelity Mutual Association and American Mutual Protective Association.

Craftsman Out of Non-cancellable

The Craftsman of Boston, which has been writing non-cancellable accident and health, has now left that field. It issues policies without standard provision 16 which gives a company the right to cancel but the renewal is at the option of the company.

Jones Heads New Company

The recently organized Santa Fe National Life of Oklahoma City has been licensed to write business. Roy Jones was elected president; J. S. Sharrett, president of the Santa Fe National of Albuquerque, N. M., was elected vice-president, and Ezra Watts, vice-president of the Albuquerque company, secretary-treasurer.

Federal Reserve Developments

KANSAS CITY, Feb. 25.—Judge Hopkins of the Kansas federal court has named Robert Lindsay co-attorney with J. S. Koehler for W. R. Baker, receiver for the Federal Reserve Life.

Indiana has surrendered all Federal Reserve deposits to the receiver, who in turn has transferred them to the Occidental Life, which reinsured the Fed-

eral Reserve, to be credited to the Federal Reserve fund, Mr. Baker said. Hearings have been resumed before special master J. H. Brady on the Farmer's National Life claim against the Federal Reserve.

Retain Same Officers

J. G. Justice has been elected president of the Pan-National Life of Oklahoma City, which has been converted from a fraternal into a stock company. M. J. Justice is vice-president, and J. M. Gilchrist, secretary-treasurer. The officers held similar offices with the fraternal. Directors include the officers and J. I. Gibson and N. G. Rhodes, both of Oklahoma City.

Mutual Benefit Increase

The Mutual Benefit Life of New Jersey reports \$130,108,580 new paid business for 1936 and \$128,062,547 for 1935. An increase of \$1,235,000 in insurance in force was shown in 1936 compared to a decrease of \$51,444,021 in 1935.

Security Indemnity Chartered

The Security Indemnity of Columbia, S. C., has been chartered to write life, sickness and accident, casualty and other forms except fire. Authorized capitalization is \$10,000. Officers are J. W. Lillard, president and treasurer; J. E. Edens, vice-president, and R. W. Lillard, secretary.

Great Northwest Expanding

The Great Northwest Life of Spokane, Wash., has established 15 new agencies in Oklahoma and Texas the past 60 days. Agencies have been increased in South Dakota.

AMONG COMPANY MEN

H. N. Bruce, Alliance Life, to Be Consultant Again

Harley N. Bruce has resigned as vice-president and actuary of the Alliance Life of Peoria, Ill., to engage in consulting work with headquarters in Chicago. He has not yet decided on a Chicago location. He is a well known life insurance man in the middle west. His first insurance connection was in the actuarial department of the Western Union Life of Spokane. After serving in the war with the Canadian contingent, he became connected with the old Security Life. Later for three years he was actuary of the Illinois Bankers Life. He was active in drafting the contract for the reinsurance of the Peoria Life by the Alliance and working out various problems in that connection. For five years prior to his connection with the Alliance Life, he maintained a successful consulting practice. He will maintain an office in Peoria as well as in Chicago.

J. R. Shelver Is Joining the Occidental of Los Angeles

J. R. Shelver has joined the group department of the Occidental Life of Los Angeles at the head office. He is a native of Devil's Lake, N. D., and after graduating from the University of North Dakota he went to Hartford where he joined the Aetna Life. He graduated from the casualty school and was assigned to Milwaukee to represent the company for two and a half years before being transferred to the group department in Chicago. After serving the company in Columbus, O., and Charleston, W. Va., he was transferred to San Francisco where he spent the last eight years.

Make money selling accident insurance. Send 10 cents for copy of Accident & Health Review, 175 W. Jackson Blvd., Chicago.

Changes and Advancements Announced by London Life

LONDON, ONT., Feb. 25.—Several appointments and promotions in the head office staff of the London Life are announced.

J. A. D. Henderson, who joined the company in 1925 and for years has been in the agency department, is appointed assistant agency secretary. A. R. Wilson, formerly of the secretary's office, becomes head of the industrial division, agency department.

W. O. Curtis, while continuing supervision of the policy issue division, is appointed assistant department secretary. D. N. McKellar becomes head of the change division of the ordinary policy department, assisted by E. P. Ryan.

A property management division has been organized with A. W. Reid, supervisor of properties, as head.

A. W. Anderson, who joined the company in 1923, for the past four years head of the ordinary correspondence division, has been appointed to the secretary's office as executive assistant. T. E. Bill, who joined the actuarial department in 1928, is appointed head of the ordinary correspondence division.

Lloyd Peek Is Advanced

Lloyd Peek has been appointed assistant vice-president of the Northern Life of Seattle. He has been with the Northern Life 16 years. In his new capacity he will retain direct supervision of the agency service department and continue as editor of publications.

Montana Life Promotions

A. B. Cunningham, treasurer of the Montana Life, has been elected vice-president as well. He is secretary of the Financial Section of the American Life Convention and is the son of the late H. R. Cunningham, who was president of the company and a former Montana insurance commissioner. He

A PLEDGE

"Since its organization in 1900, the guiding principle of Liberty National Life Insurance Company has been to achieve success by deserving it; to protect its Policyholders and their Beneficiaries with a fair, unselfish contract and to construe it liberally in their favor; to serve them faithfully, adequately, honestly and economically."

LIBERTY NATIONAL LIFE INSURANCE CO.

Birmingham, Alabama

FRANK P. SAMFORD, President

ASK A FIELD MAN—He Knows!

The Field Man is properly the connecting link between life insurance company and agent. Better than anyone else, he knows whether or not service rendered agent (and through the agent, the policyholder) is all that the company claims for it. Believing this, The Southland Life ASKED its District Managers about Southland Life service to agents. And here is what one said:

D. G. (Doc) Liggett
Fort Worth, Texas

"I am always sure Southland Life home office service to agents will be all I claim for it. I am especially proud of home office schools for the training of new agents."

If you are interested in an agency contract, write First Vice-President Clarence E. Linz, or Vice-President and Agency Manager, Col. W. E. Talbot.

SOUTHLAND LIFE INSURANCE COMPANY

Harry L. Seay, President

HOME OFFICE DALLAS, TEXAS

TEAM MATES IN THE FIELD OF COMPLETE INCOME PROTECTION

LOYAL PROTECTIVE INSURANCE COMPANY LIFE INSURANCE COMPANY : : : BOSTON, MASSACHUSETTS

SELLING OPPORTUNITIES

Non-Cancellable Health and Accident Policies

Low Cost Life Insurance Including a New Juvenile Policy

UNUSUAL PROGRAM OF FINANCING FOR CAPABLE PRODUCERS

Inquiry Is Invited

NEW JERSEY

NEW YORK

INDUSTRIAL—INTERMEDIATE

The Colonial Life Insurance Company OF AMERICA

HOME OFFICE—JERSEY CITY, NEW JERSEY

Ordinary — Group

*"A Good Company To Represent
—Represent a Good Company"*

PENNSYLVANIA

CONNECTICUT

ACCIDENT SALES POINTERS

... Packed full of sales ideas that will get you more business, the Accident & Health Review should be on your regular reading list. Send 10 cents for sample copy. It will convince you. Address: Accident & Health Review, A-1946 Insurance Exchange, Chicago.

has often addressed agency meetings. Lee Cannon, superintendent of agents, is made agency vice-president.

Peebles and Tyne Now Directors

General Counsel J. M. Peebles and Assistant General Counsel G. H. Tyne have been elected directors of the National Life & Accident.

Inflation Results Told

Inflation in Germany reduced the actual purchasing value of insurance premiums to the point that it ceased to be worth while to collect them even on the larger policies, said Dr. Alfred Manes, Indiana University visiting professor of insurance, before the Actuarial Club of Indianapolis. The cost of administration was more than the premiums were worth in paper marks and finally the paper money which was small enough to pay the premiums could no longer be secured.

Manhattan Officials on Coast

T. E. Lovejoy, president, and J. P. Fordyce, vice-president of the Manhattan Life, are in San Francisco conferring with Dr. E. L. Woodruff, general agent. They will visit other Pacific Coast agencies.

INDUSTRIAL FIELD NEWS

Treatment Again Liberalized

Prudential Increases Amount of Insurance That Is Purchased by Industrial Policyholder's Dollar

In the last few months important changes in policy contracts and conditions have been made in the industrial field, all tending to improve the policyholder's situation. This week the Prudential announces that it is further liberalizing its practices.

New forms of weekly policies are made available that will provide an average increase of about 14 percent in the immediate amount of insurance per 5 cent premium unit. Under an arrangement similar to the Prudential's modified three ordinary policy, these policies, for all plans of insurance, provide that the commencing weekly premium will increase by one-fifth after five years from the date of issue. President E. D. Duffield states, however, that dividends credited to the policy may

be applied by the company to extend the period during which the commencing premium will continue to be payable and it is expected that such dividends be large enough to offset any premium increase that would otherwise become payable.

Reserve values are to be based on 3 3/4 percent instead of 3 1/2 percent as heretofore. Cash surrender and other nonforfeiture values have been arrived at by the method used in the current issue of the Prudential's ordinary policies. Regular automatic extended insurance is available after three years and paid up and cash surrender values after five years. Special extended insurance prior to three years is provided at the rate of one week per each three weeks premiums paid under life forms, and one week for each two weeks premiums paid under endowment plans.

An endowment at age 65 will now be issued instead of the present endowment at age 60. This was done with the idea that it would be attractive to those who wish to add to the benefits provided by the social security act at age 65.

Included in each policy will be a copy of the application to conform to the practice for ordinary policies. The application thereby is made a part of the contract. Accordingly, certain provisions of the policy and the application have been reformed in a manner to render them generally similar to the ordinary policy.

The Prudential will now extend the ages at issue to age 70 in connection with the whole life policy, premiums being payable for 10 years at ages over 60.

Honor Providence Manager

W. L. Kelaghan of the John Hancock Wins 1936 President's Trophy in Industrial Field

The Providence agency of the John Hancock, under District Manager W. L. Kelaghan, was the 1936 winner of the president's trophy, awarded annually to the industrial agency showing highest general excellence. President Guy W. Cox gave a luncheon at the home office for Mr. Kelaghan and the trophy was awarded in the presence of company officials.

Mr. Kelaghan has been district manager at Providence since 1914. He got his early training in the Pawtucket, R. I., office, starting as a clerk. Two and one-half years later he was transferred to Haverhill, Mass., as cashier and resigned four years later to go to work at Pawtucket. In 1903 he was made home office inspector, being sent to Providence in 1914.

Those at the luncheon included President Cox, Vice-presidents E. H. Brock, F. W. Nason, B. K. Elliott and C. J. Diman; Second Vice-presidents T. F. Temple, L. H. Howe, Hjalmar Lundberg and C. F. Glueck, Superintendent of Agencies J. W. Messenger, Regional District Manager E. M. Winslow, Medical Directors E. H. Allen and W. B. Bartlett and W. R. Pond, manager underwriting department.

Celebrate Silver Anniversary

The Spokane (Wash.) agency of the Metropolitan Life celebrated its silver anniversary with a banquet.

District Manager W. R. Giblett reported that a two weeks production campaign in Spokane eclipsed any like period since 1929.

Orlando Staff Honored

The Guaranty Life, Jacksonville, Fla., honored C. S. Conner of the Orlando district and his staff at a banquet. That district led in business for 1936 in a contest with the Jacksonville district, headed by Jean H. Ligon. Mr. Conner placed more business in force in 1936

than any other manager of the Guaranty Life and his agency force of men collected an average of more than 96 percent.

G. J. Guimond, director of agencies was toastmaster. President W. D. Morgan complimented the Orlando group on its efforts.

Rally at Richmond

Over 400 managers and agents of the Metropolitan Life from Virginia and North Carolina held a rally in Richmond to discuss production plans for the coming year. President Leroy Lincoln, F. W. Ecker and E. H. Williams vice-presidents; J. A. Smithies, superintendent of agencies in Southern territory, and B. I. Church, Southern territory supervisor, spoke.

W. S. Hazzard Retires

W. S. Hazzard has retired after 25 years as superintendent at Jamestown, N. Y., for the Prudential. He served other capacities for ten years in addition. He and Mrs. Hazzard are now on South American cruise. S. W. Holroyd is in temporary charge.

Industrial Notes

The Acme Industrial Life of New Orleans is now on a full legal reserve basis. A. N. Richard, New Bedford manager of the Prudential, has been promoted to assistant superintendent at Fall River.

MANAGERS ASSOCIATION

Recruiting Study Now Made

Managers and General Agents Are Carrying on the Work Under Research Bureau Auspices

Managers and general agents throughout the United States are now engaged in an extensive study of recruiting under the sponsorship of the managers section of the National Association of Life Underwriters. O. Sam Cummings, chairman, and Ralph G. Engelsman, vice chairman. The study involves the keeping of a rather complete record of every prospective agent interviewed in the first quarter of 1937 by managers who are cooperating in this study. For such of these men as are contracted, production and cash earnings for the first two or three months are to be kept.

Other interesting parts of the study deal with the reasons prospective agents refuse a contract, what appeals most to those accepting a contract, sources of names of prospects for contract, etc.

If the 5,000 or more blanks which have been put in managers' hands and thrown on various sources, costs and methods of contracting new agents. The Life Insurance Sales Research Bureau is doing the tabulating and analysis. The results of the study will be reported at the annual meeting of the managers section of the National Association of Life Underwriters at the Denver convention. It is hoped that the information assembled will throw some additional light on the important subject of recruiting.

Leaders Honored at Cleveland

CLEVELAND, Feb. 25.—Managers and leading salesmen from 32 Cleveland life agencies were guests at a leaders dinner sponsored by the Cleveland Life Insurance Executives Club. W. C. Rose was toastmaster.

Insurance Essay Contest

A contest open to all ninth to 11th grade students in Iowa is being announced by the family finance committee of the Iowa Federation of Women's Clubs. Cash prizes will be awarded the two students who write the best article of 500 words on the subject, "What Life Insurance Can Do For Me."

Desirable Agency Territory Available

In a Few Words:-

"Large enough to give you the most complete Life Insurance service, small enough to give you personal co-operation, old enough to be seasoned and financially secure, young enough to be aggressive and field-minded, with a complete program of sales helps, and above all, so friendly that it's no wonder I look back with genuine pleasure on the 25 years of service I have completed with the Central Life."

So wrote one of the Central Life veterans in a letter of appreciation for the award of a 25 Year Service Pin.

**Organized Thirty Years Ago
"A Field Man's Company"**

Central Life Ins. Co. of Illinois

Alfred MacArthur, President

720 North Michigan Avenue Chicago

VITAL FACTS

Seventy-nine years of continued growth . . . More than 230 millions of insurance in force . . . One of the ten largest companies writing Industrial and Ordinary policies . . . Over 700,000 policyholders . . . Paid, during the depression to policyholders and beneficiaries, over ten million dollars. This is the Monumental Life, a secure connection for live, progressive agents.

MONUMENTAL LIFE INSURANCE COMPANY

CHARTERED 1858
Home Office: Baltimore, Md.
51 Branch Offices in the Principal Cities of 14 States

LIFE AGENCY CHANGES

W. B. Johnson Omaha Head Opens Home Office Agency

Mutual Benefit Life Promotes Its Long Island Chief to Important Office in Nebraska

W. B. Johnson, manager of Long Island territory for the Mutual Benefit Life New York City agency, has been appointed general agent at Omaha. He succeeds E. J. Phelps, who has retired after 24 years as general agent, first in Idaho and since 1916 in Nebraska. Mr. Johnson's entire life insurance ex-



W. B. JOHNSON

Standard Life of Pittsburgh Puts Chalmers F. Zahniser in Charge of New Organization

As a part of a well-planned forward movement for 1937, the Standard Life of Pittsburgh will develop a new general agency under the leadership of C. F. Zahniser located in the home office building in Pittsburgh. As added preparation for his duties, Mr. Zahniser has finished the training course of the Life Insurance Sales Research Bureau School for managers at Niagara Falls, Ont., Feb. 8-20. He is a graduate of Wooster College, Wooster, O., and the University of Pittsburgh, school of business administration. After graduation he spent four years in banking and has since been associated with the Standard Life five years, filling different places of responsibility in the agency organization. The policy of the company in establishing this agency calls for quality rather than quantity recruiting and production. The members recruited will be young college men between the ages of 23 and 30. A well-defined program of time control, prospecting and work in the field will be carried through. Formal opening will be held on March 1.

A. R. Hustad Goes with the White & Odell Organization

A. R. Hustad, for eight years Minneapolis branch manager for the Travelers, has resigned to become associate manager of the White & Odell agency, Minnesota state agent of the Northwestern National Life. He will be in charge of operations in the Minneapolis-St. Paul area. The White & Odell agency, the largest agency of the Northwestern National Life, has over \$100,000,000 of insurance in force, and in 1936 produced over \$12,000,000 of new life insurance. Mr. Hustad is president of the Minneapolis Association of Life Underwriters.

T. M. Sharp Is Life Manager

Thomas M. Sharp, who has been appointed life insurance manager of the Laclede Agency of St. Louis, is a graduate of the University of Pennsylvania. He served as an agent for the Provident Mutual and later was with the Aetna Life in Philadelphia. He was

supervisor in the W. R. Harper agency for the Aetna Life in Philadelphia for three years. Then he was appointed assistant in the office at New York. He became agency supervisor at St. Louis and in 1935 was appointed supervisor of agencies of the General American Life for Missouri, Illinois and northern Indiana. He has been special lecturer on life insurance at the School of Business Administration and the School of Law at the University of Missouri.

Crum Is Toronto Manager

G. F. Crum becomes Toronto manager of the Crown Life with office at 59 Yonge street. He went with the Crown Life in Toronto in 1929, operating with G. T. Somers in the Crum & Somers agency. He served as president of the Toronto Life Underwriters Association. He is a former president of the Rhode Island Life Underwriters Association.

Emanuelson Made Supervisor

C. H. Emanuelson has been appointed supervisor of the J. S. Braunig agency of the Lincoln National Life in St. Louis. He began his career with the company in 1933 as cashier of the St. Louis office. He was previously manager of the Northern States Life conservation department and also had been with the Continental Assurance of Chicago.

While cashier at St. Louis, he was particularly active in agency affairs. He recently resigned as cashier to enter field work.

Occidental Names Two

The Occidental Life of California has appointed M. L. Savage general agent at Rockford, Ill., and R. G. Plank as general agent at Lafayette, Ind. Mr. Savage was formerly with the Travelers from 1929 to 1935, when he opened a general insurance agency in Rockford. Mr. Plank was formerly with the Massachusetts Mutual Life and Penn Mutual Life prior to entering general insurance in 1930.

Aiken with the Occidental

H. P. Aiken, who was formerly manager of the Home Life at Los Angeles, has been appointed district manager of the Occidental Life of that city. He was formerly associated with the head office of the Continental Assurance of Chicago.

Uhl Is Made Chief Agent

E. A. Uhl has been appointed chief agent of the Mutual Life of New York in Canada with headquarters at Montreal. He will also act as special agent



General Agency Openings

with

A GREAT COMPANY GROWING GREATER

A Company that has

*A Liberal Contract

(Both First Year and Renewal Commissions)

*An Attractive Line of Policies

(designed to fit every need)

*A Unique Sales Program

Practical assistance and co-operation in the field

Enjoy the advantages of

COMMONWEALTH CORDIAL
CO-OPERATION
IT WORKS

Write

J. Herbert Snyder,
Agency Vice-President.

**COMMONWEALTH
LIFE INSURANCE CO.
LOUISVILLE, KY.**

ATLANTIC LIFE

offers a complete line of modern policy contracts covering all needs "from the cradle to retirement" at low guaranteed cost.

Atlantic Life Insurance Co.

RICHMOND, VIRGINIA

Wm. H. Harrison
Vice Pres. & Supt. of Agencies

for business in Quebec and the maritime provinces and Newfoundland. He has been connected with the company for 37 years of which 23 have been in Canada and 18 in Montreal.

Atteberry Is State Manager

W. H. Atteberry, Evansville, Ind., manager of the Sun Life of Canada, has been appointed Indiana manager. The Evansville and Indianapolis offices will be consolidated and R. J. Simpson will be placed in charge of the Evansville office. Mr. Atteberry will move to Indianapolis.

Eader Leaves Pacific Mutual

W. G. Eader, assistant manager of the Pacific Mutual Life San Francisco office for more than 10 years and acting manager for several months, has resigned. He was San Francisco general agent for seven years of the Equitable Life of Iowa and before that was manager of the Oakland, Cal., office of the Northwestern Mutual Life.

Made Dubuque District Manager

G. W. Koob has been appointed district manager of the Ohio National Life for Dubuque and northwestern Illinois, associated with the A. J. Ulman agency. Mr. Koob has many years' experience in life insurance and formerly he was district agent of the Bankers Life of Iowa.

Opens St. Paul Office

The Connecticut General Life has opened a St. Paul office with J. O. Sheehan in charge. He has been with its Minneapolis office for some time.

Spokane Made Branch Office

The West Coast Life has changed its Spokane, Wash., agency to a branch office with L. R. Hart, who has been agency manager for the last five years, as branch manager. The office will serve policyholders in eastern Washington, northern Idaho and Montana.

Second Agency in Cincinnati

The Northwestern National Life has opened a second agency in Cincinnati, E. A. Hahne being appointed general agent with headquarters in the Chamber of Commerce building. The other agency is conducted by W. E. Lord. Mr. Hahne has been manager of the Acacia Mutual Life.

Mr. Hahne was formerly state supervisor of the Atlantic Life before becoming Cincinnati manager for the Acacia Mutual. He is secretary of the Associated Life General Agents & Managers. Associated with him as district manager is E. D. Fischer, who has been a large personal producer.

Nail Named at Spokane

O. C. Nail has been appointed general agent of the Guarantee Mutual Life, covering 17 counties in eastern Washington, with headquarters at Spokane. In the five years Mr. Nail has been associated with the Guarantee Mutual he has led the entire field for four years in personal production.

Selser Made Macon Supervisor

J. M. Selser has been appointed supervisor of the Macon, Ga., agency of the Connecticut Mutual Life. He has been with the agency since it was opened in 1933. Before that he was district manager of the Columbian Mutual Life at Yazoo City, Miss.

Life Agency Notes

L. C. Wills, Fort Dodge, Ia., local agent, has become district agent of the Alliance Life.

A district agency for the Occidental Life has been opened in Decorah, Ia., by N. A. Nelson, former county auditor, and J. R. Wood, formerly of Fayette, Ia. The territory includes 14 Iowa counties.

B. C. Quinly, formerly with the Connecticut General Life and in the general insurance business, has been named supervisor of the General American Life in Kansas City, Mo., under Claude Cochran. The Kansas City agency's territory recently was increased to include Kansas west to Junction City.

LIFE SALES MEETINGS

Country Life's Convention

Annual Agency Roundup Was Held Monday and Tuesday of This Week at Springfield

There was a general roundup of the farm bureau insurance group at Springfield, Ill., Monday and Tuesday of this week, the companies being the Country Life, the Illinois Agricultural Mutual and the Farmers Mutual Reinsurance.



L. A. WILLIAMS

L. A. Williams, general manager of the Country Life, gave one of the important talks at the opening session and appeared later in the proceedings. An address was given by Dr. J. E. Boland, medical director. Howard Reeder, actuary, spoke on "Solving a Few Sales Problems." Russell Graham presided at the first session Monday and Dave Miehler at the afternoon session. At the afternoon session, A. E. Richardson, manager of the Illinois Agricultural Mutual, gave a talk as did J. H. Kelker, manager of the Farmers Mutual Reinsurance. There was an address by L. W. Rogers of New York City on "Qualifications for a Successful Salesman."

Williams Was Toastmaster

John Weaver, office manager of the Country Life, spoke.

Mr. Williams was toastmaster at the banquet, addresses being given by W. C. Linker, past president of the general agency club; Charles Homann, the new president; Earl C. Smith, president Illinois Agricultural Association; Donald Kirkpatrick, counsel Illinois Agricultural Association.

At the opening meeting Tuesday, C. C. Ramler was chairman. Mr. Williams gave one of the important talks of the meeting and field men from different sections participated.

Charles Masching was chairman for the afternoon session Tuesday. Almost all the talks were given by field men.

To Celebrate 50th Anniversary

The Bankers Life of Nebraska has set June 23-26 for its annual agency convention, which will be marked by an elaborate celebration of the company's 50th anniversary. Mornings will be devoted to business and the afternoons to golf or other forms of recreation. C. Petrus Peterson, general counsel, will be the banquet speaker. Requirements for convention attendance have been made low enough to permit nearly every agent to qualify.

W. L. Mosgrove, 35 years a member of the agency staff as general agent in Lincoln, submitted 50 applications the

first two weeks of the year, and won a \$50 prize for the first 50 policies issued. H. W. Calvin, Hebron, Neb., wrote an application every day for the first six weeks, sometimes as many as five a day. Total "apps" for the first 15 days of February were greater than a year ago.

Behan, Fischer Make Trips to Middle West Agencies

Agency meetings of three important offices of the Massachusetts Mutual were attended by Vice-presidents J. C. Behan and C. O. Fischer, when they visited Rochester, Cleveland and Detroit. In each instance these were annual agency meetings, and Messrs. Behan and Fischer outlined in some detail recently adopted plans for enlarged agency department activities.

Following the gathering at Detroit, which was also attended by representatives from four neighboring agencies, Mr. Fischer addressed the meeting of the Detroit Life Underwriters Association on "Debits and Credits." He developed the thought that the life underwriter who is to be business-like about his business "must consider both income and expenditure," and carefully budget his activities.

"Every hour spent in auditing someone's policies, or in preparing a proposal, or in maintaining records of one kind or another," said Mr. Fischer, "and every bit of time spent in the reading of business publications, represents an expenditure of the underwriter's big asset—time. Whether this expenditure is to be classified as expense, or as investment, must depend on the uses to which that expenditure is put."

Mr. Fischer also addressed the monthly meeting of the Hartford Life Underwriters Association Feb. 24.

Jefferson Standard Meet Set

Two hundred agents of the Jefferson Standard Life have qualified to attend the biennial convention in San Antonio, Tex., April 13-14, and Monterrey, Mexico, April 15-16, as guests of the company.

A number of officials from the home office will attend the convention. A program of very attractive nature is being arranged. Representatives of the company will be present from 25 states, the District of Columbia and Puerto Rico.

Explains Sales Campaign

Bert Hedges, Kansas manager of the Business Men's Assurance, will hold an agency meeting in Wichita Feb. 27, with Vice-president J. C. Higdon as speaker, explaining a new sales campaign for March and April, which will involve a combined newspaper and direct mail advertising plan. Daily papers will carry up to eight display "ads" during the campaign, which will be tied into a followup through the mails. Salesmen are cooperating and sharing in the expense of the campaign.

Regional Meet at Joplin

The Equitable Life of Iowa will conduct a regional sales school and conference for general agents and agents who qualify at Joplin, Mo., April 23-25. Agents from Kansas City, Omaha, Lincoln, Wichita, Topeka, and St. Louis will attend. E. E. Cooper, field assistant, will be in charge.

Northwestern Mutual Meet

MILWAUKEE, Feb. 25.—The General Agents Association of the Northwestern Mutual Life will hold its annual three-day mid-winter conference at the home office here March 1-3. All of the 94 general agents are expected to attend. The time will be divided between conferences with company officials and discussions among the general agents

exclusively. B. J. Stumm, Aurora, Ill., is president of the association.

Boileau in Pacific Northwest

Wallis Boileau, Jr., second vice-president Penn Mutual Life, attended a conference conducted by R. C. McCroskey, general agent in Spokane, Wash., and congratulated Mr. McCroskey and his staff on their splendid production in 1933.

Burnett on Coast

SAN FRANCISCO, Feb. 25.—The almost incredible ability of business to keep on a fairly even keel during the labor disturbances and floods is one of the most optimistic factors of the business outlook, declared H. T. Burnett, vice-president in charge of agencies of the Reliance Life, in a talk to the northern California agency staff in San Francisco. Mr. Burnett said every life agent should belong to his local life underwriters association.

Accompanied by T. J. McKenna, vice-president in charge of underwriting, and V. J. Adams, western superintendent, Mr. Burnett is holding a series of meetings on the Pacific Coast.

Occidental Life Convention

The Occidental Life of California will hold the second annual convention of its Los Conquistadores Club at Troutdale in the Pines, Col., Aug. 30-Sept. 1.

Sales Meets Notes

Twenty-five representatives of the Penn Mutual Life attended a luncheon meeting at Waterloo, Ia.

The first of a series of Ohio National agency conferences was held by J. H. Evans, vice-president, and Grant Westgate, assistant superintendent of agencies, in Lansing, Mich., which was attended by 14 general agents.

NEW YORK

DISABILITY CASE APPEALED

An appeal has been taken by the Equitable Life of New York from the judgment of \$20,000 rendered by Supreme Court Justice McGoldrick of New York City, in the suit brought against it by Pearl Kaplan, involving the collection of disability benefits after the death of the assured, including the death claim. The company contended that the policy had lapsed prior to the assured's death by his failure to pay the premium.

There were two policies involved. On one the assured had failed to pay the premium during his lifetime but the policy provided that if proofs of disability were filed within one year after the default in the payment of premium, the premium would be considered waived. The assured died within one year after a default in payment but he failed to file proof of disability during his lifetime. The beneficiary presented proof at the trial that the policyholder had been totally and permanently disabled at the time of the default. The Equitable held that misrepresentations in the application made the permanent and total disability provision inapplicable. The court held that the testimony proved that the alleged representations were in fact true and directed judgment for claimant.

* * *

PRESIDENT PARKINSON'S COMMENT

President Parkinson of the Equitable Life of New York in commenting on the contribution of life insurance the last few years said:

"As we reflect upon the experience of the past few years we realize more clearly than ever before the extent to which our progress depends upon the welfare of the nation and the state of mind of the people toward the institution of life insurance. Today one of the thoughts which seems to be uppermost in the minds of most of the people is 'security.'"

"Life insurance has rendered inestimable service to the people of this country by popularizing security, but it should not be forgotten that the partic-

ar type of security which we have spread has involved the persuasion of the people to save and sacrifice, not for themselves alone, but for their beneficiaries. We have urged upon them thrift and the willingness to deny themselves in order to provide for their families and business associates.

"It is my belief that in so far as we have preached these objectives and have provided effective means of fulfilling them, we have contributed to the building of character in this nation. If we are to continue our progress, we must persuasively but militantly assert the desirability of thrift."

NEGOTIATING WITH NEW YORK

The Aetna Life is now negotiating with the New York insurance department for the purpose of writing both participating and non-participating insurance in the state. The recent ruling did not automatically grant any company the right to write both classes but it was to the effect that if the company complied with certain requirements such permission would be granted. The Aetna Life hopes to be able to be in the field for both classes in the near future.

F. P. A. COMMENTS

Columnist Franklin P. Adams of the New York "Herald Tribune," who used to be an insurance agent himself, writing of the proposed U. S. Supreme Court changes, says "some of the experts on the court plan have declared for the 15-year endowment and others for the ordinary life, both with guaranteed cash values."

B. G. March, 71, for 42 years with the Penn Mutual Life at Portland, Me., died at his home there.

Resumes Agency Work for Penn Mutual in Old Field



J. ELLIOTT HALL

A. E. Patterson, vice-president of the Penn Mutual Life, announces that arrangements have been completed for a division in the Osborne Bethea Agency in New York City so that J. Elliott Hall returns to agency work for the Penn Mutual. The quarters of Mr. Hall's new agency will be at 30 Church street while Mr. Bethea continues to operate his agency at 50 Church street.

nation, while the average amount of policies has more than quadrupled. The trend toward a higher per capita income has opened the door of opportunity wider for life insurance. D. J. Cravens, general agent of the Kansas City Life, a veteran of 33 years, reminisced on the horse and buggy days of insurance solicitation.

Davenport, Ia.—Lynn S. Broadus, Chicago manager of the Guardian Life, spoke.

Boston—R. H. Nutt, Philadelphia broker, spoke on the sales value of remembering names and faces and something of how it is done.

The annual sales congress will be held March 19.

Harrisburg, Pa.—W. V. Woollen, superintendent of agencies Ohio State Life, spoke on "After Death, What?" and "Quality Production."

Richmond, Va.—R. B. Hull, managing director National association, spoke on "Real Security." Members of the Richmond Bar Association were guests.

A lawyer himself, Mr. Hull stressed the kinship of the law and life insurance and told the two professions how they

might cooperate more fully for the benefit of their respective clients.

Pasadena, Cal.—A caravan from the Los Angeles association put on the program, the speakers being Henry Mosler and Phineas Prouty, Jr., Massachusetts Mutual; J. H. Cowles, Provident Mutual; W. K. Murphy and J. R. Mage, Northwestern Mutual.

Chicago—Fred L. Fisher, advertising manager Lincoln National Life, will be the guest speaker at a sales clinic March 30.

Jacksonville, Fla.—Frank L. Jones, vice-president of the Equitable Life, gave an address this week.

New Minnesota Deputy

ST. PAUL, Feb. 25.—Commissioner Yetka has appointed Arthur Nordstrom deputy commissioner and deputy state fire marshal to succeed D. W. Johnson, who resigned last fall to run for Congress and was elected. Mr. Nordstrom has been with the department about a year. Previously he was an auditor and railroad man. His home is in Minneapolis.

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NEWS OF LIFE ASSOCIATIONS

MacDonald New President of Wisconsin Association

E. G. MacDonald, district manager for the Equitable Life of New York at Sheboygan, was elected president of the Wisconsin State Association at a meeting in Milwaukee. R. L. Hesse, Lincoln National Life, Madison, is first vice-president; M. B. Matteson, Metropolitan Life, Green Bay, second vice-president; J. N. Patterson, New England Mutual, Milwaukee, secretary; Alvin Moser, Aetna Life, Milwaukee, treasurer. Mr. Moser is the outgoing president.

Much time was spent in giving the details of the national letter contest for high school students. Mr. Hesse is Wisconsin state chairman of that undertaking.

Fischer Speaks in Detroit

C. O. Fischer, until recently St. Louis general agent but now vice-president in charge of sales of the Massachusetts Mutual, spoke at the February meeting of the Detroit Life Underwriters Association on "How Can I Be Successful, or More Successful?"

Montreal—H. E. Whipples, Sun Life, has been appointed secretary following the resignation of H. P. Bickley of the field service department of the Sun, who was forced to give up the post due to increased responsibilities in his department. He was accorded a vote of thanks at the monthly luncheon.

Peoria, Ill.—Lynn Tracy of Chicago, agency director of the New York Life, will be the guest speaker at the March meeting. It is planned to honor the past presidents at this meeting. R. B. Hull, managing director National association, was the speaker in February on the social security act. He was introduced by L. O. Schriver, Aetna Life, past National president.

Texarkana—F. A. Vineyard, supervisor Aetna Life, Little Rock, spoke on "Selling Investment Life Insurance." President Leon Arnold presided. The program

was in charge of G. W. Lewis. The Life Insurance Week committee reported. The association will sponsor activity in neighboring towns as well as in Texarkana proper.

Pittsburgh—Paul Speicher, R. & R. Service, Indianapolis, is scheduled to address a policyholders' meeting in Pittsburgh, March 18. Dr. Huebner, president of the American College of Life Underwriters, who was to have spoken was forced to cancel his engagement because of illness. Also announced to speak is R. B. Hull, general counsel, National Association of Life Underwriters. The meeting is expected to draw a crowd of more than 3,000.

Birmingham, Ala.—Life insurance was pictured as the "magic wand in finance," by Guy Lyman, New Orleans general agent Pacific Mutual Life. Emotion plays a strong part in life insurance selling, he said, and the most successful agents are the ones who can play on the chords which touch the human heart. He added, however, that each agent should develop a prospecting system best suited to his personality.

Considerable discussion developed on the employment of part-time agents, the matter being referred to the business practice committee.

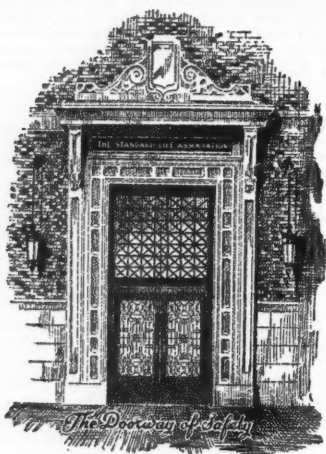
Joliet, Ill.—P. W. Cook, Mutual Benefit Life, Chicago, Million Dollar Round Table member, addressed the February meeting. Membership for 1937 on a paid basis totals 56, an increase of almost 100 percent over a year ago. A 100 percent membership certificate was given to the A. G. Taylor agency of the Metropolitan Life.

Austin, Tex.—H. P. Egger, Dallas manager of the Travelers, spoke.

Kansas City, Mo.—The annual sales congress will be held in April.

Iowa City, Ia.—The local association has voted to affiliate with the National association.

Lincoln, Neb.—Prof. J. E. Kirshman, University of Nebraska economist, at the February meeting said that the volume of life insurance written during the last 25 years exceeded four times the increase in the per capita income of the



**Stability — Safety
Performance**

ASSETS
\$13,750,000.00
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\$114,000,000.00

The Standard Life Association

Lawrence, Kansas

GEO. R. ALLEN President
JOHN V. SEES Secretary
MARTIN MILLER Treasurer

LEGAL RESERVE FRATERNALS

Law Society Holds Meeting

Fraternal Legal Counsel Meet in Chicago with National Fraternal Congress Sections

The Fraternal Society Law Association held its annual meeting simultaneously with the mid-winter meeting of National Fraternal Congress sections in Chicago. New officers elected are: President, J. A. Willo, succeeding A. J. Calhoun; vice-president, E. W. Dillon; R. F. Allen, reelected secretary, and treasurer A. J. Abbott.

Chief discussion centered around: "Total and Permanent Disability Clauses," B. L. Matthews, Memphis attorney; "Suicide vs. Accident," W. C. Carter, Atlanta attorney, and "What allowance a society can make for attorneys' fees when it is necessary for an organization to interplead in a case of conflicting claimants," by W. C. Ewan, Kewanee, Ill. J. A. Langfitt, Jr., Pittsburgh attorney, discussed recent Pennsylvania cases. Francis Tappich, another Pittsburgh attorney and society official, was scheduled to speak but was ill.

Mr. Carter outlined history and status of courts' attitude toward accident claims that are in reality suicide. He pointed out many cases have been decided against carriers where the insured may pay double indemnity for certain "accidents," while actually it is not liable at all under the suicide clause. He said the tendency of juries and courts has been to favor the "accidental" version of an assured's death. He cited cases that showed this even where the assured slashed his throat with a razor or shot himself.

Mr. Carter said a stumbling block for

insurance companies has been the tendency of courts in charging juries to declare there is legal presumption against suicide. This has existed, he said, apparently because it is assumed persons normally wish to live.

However, this picture is changing, facts tending to overbalance the "love of life" theory, and hence fairer trails are resulting. Cases of death by firearms offer the company a chance to prove suicide. Two angles involved in defense are, the reason for the assured possessing a gun, and the place and use to which it is put at the time of alleged accidental death.

The same thought is involved in cases of death by poison. The kind of poison, potency and amount taken may offer clues which will prove suicide, and this is true of death by gas.

Mr. Carter said the company need not worry much about proving assured's state of mind before death if physical facts tend to show suicide. Former suicide attempts may be too remote in time to be offered as much of a defense against a claim for accidental death. A statement of suicidal attempt, however, if recent enough, is admissible as evidence. Likewise the beneficiary claiming accidental death of assured may also offer evidence to show assured's opposition to suicide. In this connection assured's plans for the future may be introduced to show he was not a suicide.

Mr. Matthews sketched changes in the courts' attitude toward the meaning of total and permanent disability clauses. He said there is generally a liberal construction as contrasted to the literal view 50 years ago. The general tendency, he said, is to rule the assured is totally disabled if he cannot do acts that are substantial and necessary in carrying on his business.

Seek Society's Dissolution

LANSING, MICH., Feb. 25.—Petition for dissolution of the Swedish United Sons of America of Menominee has been filed in Ingham county circuit court in behalf of Commissioner Gauss. It is cited that a departmental examination showed membership had fallen to 230, the statutory minimum being 400, and it appeared financial condition would not permit carrying out contract benefit provisions even if membership were materially increased. President C. G. Janson favors dissolution, it was stated, as the only course open. An official of the department is expected to be named receiver.

W. O. W. Starts Radio Series

The Woodmen of the World of Omaha, which owns Radio Station WOW but has seldom used the broadcasting facilities for commercial insurance programs except for the regular station announcement, has started a 30-minute program of musical reveries presented every Sunday at midnight. The late hour was selected so that members of far distant camps could tune in. President De E. Bradshaw will appear periodically on the program to deliver a fraternal message emphasizing constructive and protective features.

Would Tax the Fraternal

Representative Smelser has introduced in the Arkansas legislature a bill to repeal acts that grant exemptions from taxation to fraternal. He seeks to have the fraternal pay the 2½ percent gross premium tax.

Lutheran Brotherhood's Showing

The average interest earnings of the Lutheran Brotherhood of Minneapolis were 4.41 percent as compared with 4.26 percent in 1935. On the 3½ million dollars in mortgages the company carries only \$5,296 interest is past due. On bonds there is deducted almost \$50,000 of book value over amortized

value. If market values were carried instead of amortized value the asset would be increased \$90,000.

N. F. C. Convention Notes

Judge J. C. Karel, president Equitable Reserve, was trying to attend two conventions at once. In addition to taking part in several of the National Fraternal Congress sections, he also sat in on some of the sessions of the Financial Section of the American Life Convention held the same day.

J. G. Grundle, secretary Catholic Family Protective of Milwaukee, was attending his first fraternal convention. He recently joined the organization after many years as secretary of the Milwaukee Board of Fire Underwriters.

T. H. Walters, president of the Junior Order of United American Mechanics and president of the presidents' section, was unable to attend because of an attack of influenza.

H. L. Ekern, president Lutheran Brotherhood, was an active participant at the meetings. He addressed the presidents' section, telling of his conference in Washington on the social security act as it affects fraternalism.

A. O. Swink Preparing for More Extended Organization

Additional space is being prepared for the enlargement of the Virginia agency of the Atlantic Life under the management of A. O. Swink, who is signed as president. A campaign for applications in his honor is now on while he is away on a vacation trip to Florida. He was formerly head of the important agency. H. F. Sharp, who has been closely associated with Swink since 1920, when he resigned as assistant secretary of the Atlantic Life to join the Virginia agency, is executive assistant. He had become the leader of the organization when Mr. Swink came president of the Atlantic. Mr. Sharp expressed his personal pleasure on the return of his old time associate. Mr. Sharp's associates presented him with a very handsome beverage set.

Under the new set up Mr. Swink will be president of the Atlantic agency. The vice-presidents are H. F. Sharp, W. Phillips and G. T. King, Jr. R. C. Gardner and G. W. Stulting will continue as treasurer and secretary respectively. The agency will be continued as a profit sharing enterprise.

Prior to Mr. Swink's departure for Florida he was presented with a silver pitcher and goblets from the officers and employees of the Atlantic Life.

OUR FORTY-FIRST YEAR

● Backed by over forty years of service and progress and facing another era of achievement.

SUPREME FOREST WOODMEN CIRCLE Omaha, Nebr.

A legal reserve, fraternal benefit society which insures women and children

Dora Alexander Talley
National President

Mamie E. Lee
National Secretary

What Is Legal Reserve Fraternal Life Insurance?

(This is the second of a series of advertisements outlining briefly a few characteristics of this type of protection—points that may not be generally understood by the otherwise well informed and intelligent fraternity of life insurance executives and salesmen.)

- Legal reserve fraternal societies operate under strict state laws, must maintain reserves in accordance with those laws and are subject to the same careful and thorough examinations periodically by the same insurance departments that examine other types of insurance organizations.

Like the record made by the legal reserve fraternal as a whole, it was never necessary for the Ben Hur Life Association to borrow money from the government or any other source to meet all cash demands.

BEN HUR LIFE ASSOCIATION

Established 1894

Home Office: Crawfordsville, Ind.

John C. Snyder
President

Edwin M. Mason
Secretary

SALES IDEAS AND SUGGESTIONS

Agents Must Build Prestige to the Institution's Level

NEW YORK, Feb. 25.—Agents need to build prestige so that they will have the same high standing in the eyes of the public that the institution of life insurance does, C. J. Zimmerman, general agent Connecticut Mutual Life in New York, told members of the New York City Life Underwriters Association at its second lecture on the technique of selling.

Mr. Zimmerman gave a number of practical pointers which he had observed and used in his career as agent, supervisor, and general agent. The other speaker, Austin Kelly III, of the Sam P. Davis agency of the Phoenix Mutual Life in New York City and winner of the premium leader cup for that company for 1936, described his own methods for building prestige.

Building Prestige with Reverse English Method

Mr. Zimmerman recalled an amusing example of an original use of prestige by an agent of the office of which he had been supervisor in New York City. This man would work only at night and only jointly with a supervisor. The supervisor found the agent somewhat difficult to get along with and after a time the agent would call up the general agent and say "this supervisor is no good, send over another one." When it came Mr. Zimmerman's turn the agent told him they were going on four or five interviews that evening and told him not to worry about anything that might happen, saying that he might even doubt his word or call him a liar.

Supervisor Had to Take Abuse as Agent's Stoooge

The first call was on the proprietor of a small store. "Abe," said the agent to the proprietor, "I want to see you for a minute in the back of the store." Then, "Zimmerman, here, is a company man. You got a rate book, Zimmerman? How much will it cost Abe for \$5,000 ordinary life at age 35? . . . All right, now what's the first year dividend on that policy?" On being told, the agent expressed great astonishment.

"What! Let me see that book. . . . Yes, that's right, but it sounded awfully big to me. Zimmerman, remember you are representing the company. I represent my client. Anything you say to me you've got to prove. . . . Zimmerman, you got an application? Abe will take \$5,000 20-pay life."

The prospect did take it, Mr. Zimmerman said, and the same performance was repeated successfully two or three times that evening.

Building Prestige Ought to Start in Association

Prestige building should start right in one's life underwriters' association, Mr. Zimmerman declared, saying he was a strong believer in putting oneself on the spot. Mr. Zimmerman told how he got a request, long before he was a general agent, to talk in Newark on business insurance. He accepted, then went to the DIAMOND LIFE BULLETINS and did some intensive studying. By the end of the lecture he felt he really knew something about business insurance, he said.

Mr. Zimmerman cited a case where an agent lost a big line after writing a man a smaller policy previously. Going back to find out why he had lost the big case, the agent was told that it



C. J. ZIMMERMAN

wasn't because the prospect didn't like him, but because this insurance meant a great deal to him and he felt he couldn't afford to have it handled by anyone not fully qualified and had placed it with another agent who had the C. L. U. designation. Not all can be C. L. U.s., said Mr. Zimmerman, but everyone can create the impression that he knows his business. The agent should give service to his policyholders, keep them informed

of tax decisions and court decisions relating to their insurance.

The sending of birthday cards, though it may seem routine and mechanical, is definitely worth while, he said, since people appreciate it. He told of a man who said to him in a competitive case, "I'm going to give you this business, and I'll tell you why. When I was in South America for five years, outside of two close relatives, you were the only one who remembered my birthday. I appreciated it."

Send clients and prospects clippings of articles about their business or themselves, with a note of congratulation where it is appropriate, Mr. Zimmerman advised. There are many opportunities to do things for the other fellow, the man in the automobile business, the hotel manager, the bank official. The agent gets a kick out of doing these things just as his centers of influence like to do things for him. "Earn the right to use your policyholders and centers of influence," he urged.

Testimonials from Big Men Have Been Helpful

Testimonial letters from prominent prospects and policyholders, saying what a good job the agent has done, are extremely valuable and should be sought, the speaker said. Another way of gaining prestige is to write a local newspaper column about insurance, social security and related matters. He said that two agents in his office have been successful in using this method.

Specializing in a definite field, such as the dental profession, brings many excellent chances to build prestige. Mr. Zimmerman told of a man who built up a business among dentists with the result that when he went to see a new prospect in this line, the man probably knew half the people on his list of policyholders.

Hobbies can be profitably capitalized

also, Mr. Zimmerman said. He told of an amateur photographer who would now be out of the life insurance business if he had not capitalized on his hobby. Through doing superior portraits of youngsters, he sold a volume of educational insurance on their fathers which enabled him to continue in the life insurance business and have a lot of fun doing it.

Much valuable publicity can be had through cultivating newspaper editors and keeping them informed of agents' activities when told with some sense of news value, so that they are worth printing, Mr. Zimmerman said.

Austin Kelly Gives the Successive Steps Used

Mr. Kelly, describing step by step the method he uses in building prestige, said that he divides his prospects into four groups. If everything is neat and orderly about the prospect, he must be talked to slowly and given the impression that the agent is very thorough. However, if the prospect is less orderly and his desk is not particularly neat, it is a mistake to talk slowly to him as he wants to be given the information fast. Third is the bluffer type who only respects the man who will talk right up to him. Fourth is the frozen-faced prospect who gives no indication as to which way the sales talk is impressing him.

An aid in building prestige is a book of standard letters which Mr. Kelly has got up and can usually be sent to prospects rather than using up time to write a special letter. After determining that a prospect is worth some attention Mr. Kelly contacts the man four times before calling. This year he feels that the greatest competition will be the stock market and he has a chart to show why it is better to invest in life insurance than in stocks and bonds. After sending him this chart, he sends the prospect a "quotation letter" giving excerpts from letters from satisfied policyholders showing how well pleased they are with the insurance setup that has been arranged for them.

Third Chart Sets Forth Aged's Financial Status

The third mailing piece shows how many men at retirement age are well-to-do and how many are self-supporting. Up to that time Mr. Kelly has not seen the prospect but at the time of his age change, he sends him a chart showing graphically how much he can save by buying insurance at that time.

Policyholders are also sent literature to keep them on the books and continuously sold. They get letters describing the most interesting cases Mr. Kelly has written during the year. These cases are selected to cover as many possible different contingencies and are an indirect way of asking the prospect to do some prospecting for the sender.

Questions and Answers Aid Centers of Influence

In order to overcome the stock objections of prospects, Mr. Kelly later sends these policyholders a question and answer letter which gives the policyholder a great deal more influence in answering these questions. Most insurance buyers really want to turn to one man to handle their entire insurance line if he appears to know his business and is not high pressure, Mr. Kelly said. The agent must be serious but not too serious. He wants to believe that the agent will fulfill what he says he will.

It is always advisable to work within a group, Mr. Kelly advised. Every man in the group knows about others in it and his knowledge will help eliminate those who are not prospects. The agent should find which industries are forging ahead and then go to their trade magazines and read something about them. Members of such groups are often will-

Programming Causes Client to Apply Pressure on Self

Ray Ellis, New York City general agent of the Home Life, declared in a seminar on programming life insurance at Bridgeport, Conn., that there is an unlimited field for service of this nature for every agent who cares to keep abreast of the times. The seminar was part of the one-day sales congress sponsored by the Bridgeport Association of Life Underwriters.

Mr. Ellis pointed out that programming represents a definite yet subtle change that is gradually taking place in sales methods. The field for such service, according to the speaker, was represented by that large group of owners of life insurance who have never planned their insurance estates. Most insurance now owned has never been coordinated in order to do the things the owner wants done. As a matter of fact, Mr. Ellis added, the average client first begins to think of what he wants his insurance to do when his estate is intelligently planned.

Collection of Policies

The average man owns merely a collection of policies, which he has bought from time to time, and usually little if any thought has been given to what those policies could do if coordinated into an established plan. Mr. Ellis drew an analogy between the service of the architect and the service of an engineer. Lumber, bricks and mortar do not make a house. The architect secures the ideas of the perfect home from his client, and then arranges with the contractor to



RAY ELLIS

coordinate materials in order to produce the finished product. Gears, steel and pistons merely piled together do not produce an automobile. Instead, the public's demand for riding comfort is satisfied by the engineer who coordinates all the parts into one efficient mechanism. In life insurance, to continue the analogy, the policy contracts already owned by the average client are the materials by which to produce a planned estate, Mr. Ellis said, through the services of the progressive agent. The agent

(CONTINUED ON NEXT PAGE)

ing to give letters of introduction, but do not like to be bothered writing them. In this case, Mr. Kelly gets his client, a doctor, for example, to give him some of his stationery and then he, the agent, writes the letter asking the recipient to do the writer the favor of listening to what Mr. Kelly has to say.

Mr. Kelly strongly advised going on to see the buyer's attorney, as he is a potential center of influence and can coordinate the insurance program with the general estate. Attorneys welcome having wills brought to them to draft, as these often lead to other business and to handling the estate eventually. The result of this has been that Mr. Kelly has come into contact with 45 to 50 attorneys in the course of a year whom he would not have met any other way. At the same time he is talking about their client's setup, he is subtly trying to sell the attorney the same sort of program, and has often succeeded in doing so.

In the same way, he has made many valuable contacts with corporate executives and certified public accountants, who reciprocally turn business his way, but only if they are sure he knows his business.

Buyer Must Feel Agent Is Really Going to Aid

The prospect won't buy because of charts or anything that the agent can say, Mr. Kelly warned, but because he feels that the agent is going to be a real help to him. The agent's strength is the enthusiasm with which he has gone into the sale and the attitude he has created in the prospect's mind. At the same time, if he loses the sale the prospect must be left with the impression that the agent was a gentleman and tried to do him a favor. Mr. Kelly recalled cases where several months after he had failed to sell a man, the prospect had written him and said that he would like to increase his insurance.

Mr. Kelly said that his best investment during the year had been his free consultations with lawyers with whom he had established contacts and had offered to give them any advice they wished involving life insurance, but keeping himself out of the picture. This service is performed entirely without cost but the business that has indirectly resulted from it made it highly profitable.

Programming Makes Client Put Pressure on Himself

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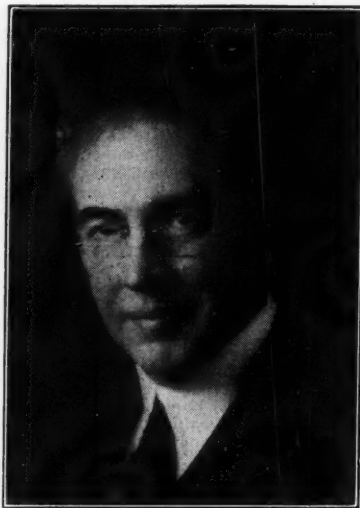
must secure the ideas from his client as to what he wants his insurance to do, and then coordinate the policies in order that the plan can be carried out most effectively.

The opportunity to sell is created by the fact that additional insurance may be needed to complete the plan. If it is discovered that a present estate will not do what the client wants done, then Mr. Ellis observed, it is up to the client either to buy the additional insurance which may be prescribed or modify his plan. The agent is then in the position of seeing self-applied pressure on the part of the client to buy additional insurance, self-applied because it is the client's own plan and not the agent's that must be altered.

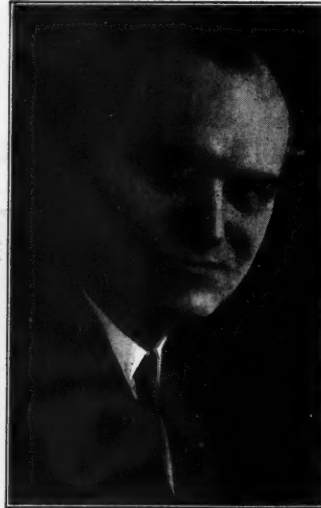
Gamble on Direct Mail

Another speaker at Bridgeport was S. M. Gamble, who is in charge of the direct mail service of the Massachusetts Mutual. He said direct mail has been of service to the agent in getting by secretarial barriers, in moderating sales resistance and in forming good work habits. Advertising, he pointed out, augments the personal salesmanship of the agent. It cannot be expected to sell anything but it can be depended upon to help the agent sell, if he will follow through with his personal calls. In 1936, deliveries to prospects listed for mailings in the Massachusetts Mutual exceeded \$17,000,000. This was more than double the results for 1935. Sales

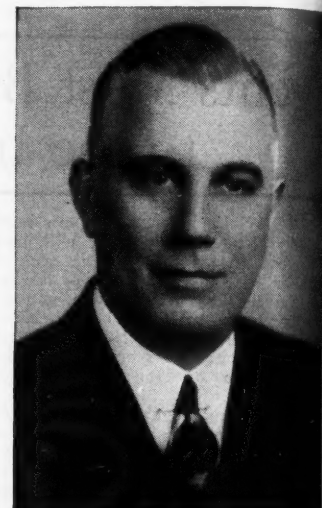
CONTRIBUTE INVESTMENT VIEWS



T. W. APPLEBY
President Ohio National Life



WENDELL P. COLER
Actuary American United Life



E. H. HENNING
Vice-President Illinois Bankers Life

Interesting and valuable comment on the investment conditions being met by life companies was given at the mid-year meeting of the Financial Section of the American Life Convention in Chicago this week by the three company officials above.

averaged one for every 14 prospects listed to receive direct mail. The average application was \$5,475. First year commissions earned by the agents amounted to \$3.97 for each prospect cultivated by the advertising.

Assurance Is Given of Stabilized Rate

(CONTINUED FROM PAGE 2)

present were Ralph H. Kastner, associate counsel, and M. E. Benson, attorney. President L. M. Parker, Vice-president B. M. Woodsmall and M. B. Cederstrom, vice-president and secretary, all of the American Service Bureau, also attended.

Coler Favors Railroads

W. P. Coler, actuary American United Life, led off the formal program in a paper discussing railroad bonds, which he found a profitable field for the discriminating buyer. In discussing his paper, an investment officer said there were certain factors adverse to railroads, such as elimination of the surcharge, which would cut income some \$300,000,000; the railroad retirement act, and increase in wages.

J. W. Johnson, investment research division, Minnesota Mutual Life, told methods of analyzing municipal bonds. Don F. Roberts, treasurer Acacia Mutual, spoke for more thorough study of investment department costs, saying this was essential in the present period of reduced yield. President T. W. Appleby of the Ohio National Life gave a fine paper on effect of the 1936 market on investment portfolio, finding on the whole great cheer for financial officers. A speaker said it is important to be cautious by resurveying investments and mortgages and setting up abundant reserves wherever there is possibility of loss, as he feels another recession in time is inevitable. Errors in the investment policy should and can be detected before losses are sustained.

Investment Survey Given

Secretary A. B. Cunningham, treasurer Montana Life, read results of a study of current investment practices of A. L. C. companies, prepared from answers to a questionnaire that was sent out. The figures are presented on a 1935-1936 comparative basis in another column.

E. C. Wilkinson, associate manager standard supervisory service, Standard

Statistics Company, New York, discussed the trend of interest rates, finding that investment men who are worried about their long term securities can look to Washington for encouragement as long term money rates will be kept down and no wild boom, he feels, will result.

Financial Expert Speaks

One speaker in a discussion said the interest rate turn may have been reached. He cited recent corporate refinancing and the boom in bank stock prices. Mr. Wilkinson, however, said there are many things that government officials can do to stabilize in case of a dangerous trend, some of the machinery being open market operations, change in reserve requirements, etc.

After luncheon, E. H. Henning, vice-president Illinois Bankers Life, discussed the Oklahoma escheat law which especially concerns investment men now because of a bill pending to make the escheat provision automatic. He argued the escheat provision does not apply to life companies' investments in Oklahoma, as there is no such provision in the insurance laws although there is one applicable to corporations in the general laws. There is a constitutional provision that corporations may not hold title to property for more than seven years, but Mr. Henning believes life companies may do so by securing from the insurance commissioner special permission before expiration of five years after securing title.

Discusses Texas Statutes

J. D. Frank, associate general counsel Lincoln National Life, discussed present laws and court decisions affecting investments in Texas. A. O. Merriam, vice-president Franklin Life, discussed the best policy to pursue relating to sale of farm land. A companion subject, relating to sale of city real estate, was developed by H. F. Chadeayn, secretary General American Life. He said while the life companies' objective should be to secure maximum realization from properties in net income while they are held and in price obtained when they are sold, to attempt to dispose of all city real estate holdings at the market peak would defeat its own ends and leave the company with many properties on hand after the peak had passed and the market again was in decline. He found urban real estate conditions much better, many apartment vacancies having been absorbed and commercial tenants renewed at higher rentals.

Some properties, he said, probably will be sold only when the speculative buyers again enter the market. He noted much competition for purchases which has resulted in driving down the minimum cash requirement to as low as 10 percent, when at least 25 percent the minimum safe figure, he said. The considerable demand for household and small residential property, he believed will continue.

Howard Holderness, vice-president Jefferson Standard Life, discussed competition in the mortgage loan field.

Urges Restriction of FHA

While the Federal Housing Administration has brought many decided benefits, said A. A. Zinn, vice-president State Life of Indianapolis, it should be only an emergency measure and activity should be confined very largely to financing new construction.

He said the FHA has solved the problem of home financing and has created building revival, reemployment and many other benefits. It has drawn home the lessons of amortization, mutual mortgage insurance, zoning surveys, construction supervision, credit analyses, etc., which have been of outstanding benefit. However, institutional lenders have progressed far in the same field and Mr. Zinn feels they can better carry on the financing of homes. He said there are indications some purchasers buy FHA financed homes beyond their capacity to pay, having been found a factor second only to unemployment in causes of default.

Investment Survey Shows Trend in Company Policies

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F. H. A.	20
Others	53
Monthly Payments	43
Amortized	50
Not Amortized	18
FARM MORTGAGE LOANS ..	30

Slimm, Utica Manager, Resigns

John M. Slimm, manager of the Utica N. Y., office of the Connecticut General Life for the past eight years, prior to that for seven years with the same company in Buffalo, has resigned effective April 1. He will enter the business of estate planning after that date.